



Daily Report

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Daily Report

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16 October 1990

NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

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General

Commentary Views U.S. Policy on Mideast Issues

HK1610041490 Beijing RENMIN RIBAO OVERSEAS
EDITION in Chinese 16 Oct 90 p 6

["Commentary" by XINHUA reporter Qian Wenrong (6929 2429 2837): "A Blow at U.S. 'Dual Standard'"]

[Text] United Nations, 13 Oct (XINHUA)—After five days of heated debate and tense consultations in the UN Security Council, a resolution condemning the Israeli authorities' savage act of massacre of the Palestinian people in Jerusalem was finally adopted in the early hours of 13 October. This is the victory of internationally acknowledged truth and a blow at the U.S. "dual standard" concerning the Middle East.

When the UN Security Council was beginning the debate on the occupation of the Palestinian territories, the atrocity of the actions of the Israeli armed police at the Temple Mount of Jerusalem immediately aroused the indignation of the whole world. A majority of the representative states participating in the UN Security Council debate strongly censured this new criminal act of Israel. The nonaligned member states of the Security Council immediately put forward a draft resolution, demanding "the criminal act of the Israeli authorities be censured" and demanding establishment of a committee composed of three member states of the Security Council to conduct an investigation in Jerusalem. This motion put the United States in an extremely embarrassing position.

During the past 40 years, as everyone knows, when the United Nations debated on Palestinian issues, the United States always sided with Israel and opposed the Palestinian people. Since the beginning of this year, when the Security Council discussed the resolutions on the Palestinian issues, the United States has exercised the veto power on seven occasions. This is one of the main reasons for the delay in solving the Palestinian issues. Nevertheless, if the United States flatly vetoed the draft resolution of the nonaligned countries and adopted a "dual standard" toward the Iraqi invasion of Kuwait and the Israeli atrocity, it would surely meet with the censure of the majority of the Arab countries and forfeit the support of the Arab countries on the Gulf issue.

The United States, therefore, could not but change its tactics, and tried hard to diminish the influence of the incident of the Israeli massacre through the revision of the motion of the nonaligned countries, and avoided exercising the veto power unilaterally. It first changed the word "condemnation" to "deep regret" in the motion of the nonaligned countries, then changed the "criminal act" of the Israeli authorities to "move," and changed the establishment of an investigative committee of the Security Council to the secretary general's appointment of his representative to conduct an investigation.

These revision suggestions by the United States met with opposition from many member states of the Security Council, especially the nonaligned countries and the Palestine Liberation Organization. The consultations in the Security Council reached an impasse many times. Facing a dilemma, the United States had to make some concessions and accepted the wording "especially condemning the savage act of the Israeli security troops." On the issue of establishing an investigative committee, the nonaligned countries and the Palestine Liberation Organization agreed that the secretary general should send a special group to investigate this incident.

As far as the United States is concerned, this was the first time it had approved of the resolution on clearly and definitely condemning Israel concerning the Palestinian issue. Obviously, the United States had no alternative but to cast this vote. This proves the "dual standard" adopted by the United States cannot enjoy popular support.

Article Views Chemical Deterrent in the Gulf

HK1510094590 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 41, 8 Oct 90 pp 32-33

[Article by Li Zuo (6849 0155): "The Chemical Deterrent Set-Up in the Gulf Crisis"]

[Text] Viewing the current Gulf situation as a whole, the two parties pitted against each other are the United States which possesses an absolute chemical deterrent and Iraq, the number-one chemical power in the Middle East. Analysts hold that a chemical deterrent set-up, which has rarely been seen in the history of war, has presently been formed in the Gulf region. To compensate for its inferiority in initial battles, Iraq might use chemical weapons to repulse the "surgical operation" attacks by the United States and the latter will take chemical revenge on a limited number of targets in line with the policy of "actual combat plus deterrent."

On 2 April this year, the Iraqi president warned Israel that if the latter launched attacks against Iraq, Iraq would take revenge by using newly-developed binary chemical weapons. This warning serves to bring to light an important background point: Iraq has made public its own stance on chemical deterrent.

President Bush is aware of this in this Gulf crisis which is why he warned in his television speech on 8 August that Iraq would receive extremely severe punishment if it did use chemical weapons. According to a report by AFP on 12 August, Iraq was deploying chemical weapons in its bases. On 16 August, U.S. Secretary of Defense Cheney reaffirmed the country's tough stance that it will not take the lead in using chemical weapons but reserves the right to respond in like manner. In response to this, a report carried by (Kardicia) [ka di xi ya bao 0595 6611 6007 0068 1032], an official newspaper of the Iraqi Defense Ministry, claimed that Iraq was ready to use weapons with "large-scale destructiveness and strategic deterrent" to exterminate any aggressors. The report also

emphasized: "All weapons with global destructive force and strategic deterrent in Iraqi armories will be put into use in order to defeat any aggressors." This was followed by a story that Iraq has deployed in Kuwait "Mercury [fei mao tui 7378 3029 5217]—B" surface-to-surface missiles which can carry chemical warheads and transferred some Americans to a number of chemical weapon factories and some other strategic points along the Iraqi border.

What is the actual chemical deterrent set-up on either side at present?

First, Iraq has a political prerequisite to deter its opponent using chemical weapons. The political and cultural background to the Gulf current crisis is by no means comparable to the Iran-Iraq War. Being faced with a military power pressing steadily forward, Iraq will, by holding high the banner of "a holy war" and under the excuse of "resisting aggression on its own land," deter its opponent with chemical weapons. Moreover, being a weak country itself, Iraq is confronting a strong opponent. If the United States was the first to launch "surgical operation" attacks, or took revenge of the same nature, this crisis would probably become a contradiction between Arab countries and the West. Under such a prerequisite, even if Iraq used chemical weapons, it would also win support from some Arab countries, especially from allies of the holy war. Second, Iraq has a military need to launch a counterattack with chemical weapons to alter the situation in initial battles. U.S. tactics are to avoid engaging in land battles with Iraq but launch "surgical operation" attacks by adopting for the fourth time the air breakthrough from "Grenada Model." To Iraq this move by the United States can be said to stay clear of Iraq's main forces and strike at its weak points and the situation in initial battles would, therefore, be unfavorable to Iraq. Under such circumstances, it is most likely that Iraq would stage a chemical counterattack to psychologically deter its opponent and seize opportunities to reverse the situation in initial battles. During the 1982 Iran-Iraq War, Iraq launched chemical attacks on the Iranian Army in the (Harihūmlan) [har ji wu mu lan [0761 0679 3527 1191 5695] Region under extremely inferior conditions and, as a result of the attacks, the morale of the Iranian soldiers was greatly dampened and Iran's offensives crumbled. Since its first victory, Iraq has frequently launched chemical attacks. Third, the U.S. right to take revenge of "guaranteed destruction" has created conditions for containing its opponent from using chemical weapons and a deterrent situation with the two parties pitted against each other has therefore been formed. Over the past nearly 20 years since the the United States chose to adopt a policy of chemical warfare in the early 1970's and Reagan's "rearmament" in the early 1980's, the "flexible response strategy" by the U.S. Army has been further improved in terms of essence and immediate significance. This means to raise the limit of nuclear deterrent and, on the basis of defeating its opponent with its superiority in regular weapons, prevent escalation of

wars in light of a "tooth-for-tooth" policy with limited deterrent in which "chemical weapons are countered with chemical weapons." The key point of this chemical deterrent policy is not to take the lead in using chemical weapons but to make public the reservation of the right to take chemical revenge, maintain a chemical counter-attack ability which is strong enough to launch rapid and effective counterattacks to the enemy's chemical attacks, and preserve a good chemical protection ability.

The Iraqi side may already be aware of this so, aside from going all out in strength disposition, Iraq has transferred some Americans to chemical weapon factories, a tactic to cause the United States to hold back from taking action against Iraq for fear of involving their own people. This shows Iraq's weak state of mind from not being in a superior position and its determination to cut off all means of retreat. As a result, a possible situation of "initial attack; revenge; counter-revenge; and larger-scale revenge and counter-revenge" leading to the formation of a deterrent set-up with the two parties pitted against each other.

In a general comparison of the chemical warfare abilities of both Iraq and the United States, it can be said that one side, though its weapons are limited both in number and quality, possesses combat experience in carrying out chemical warfare on its own land; and the other side, though lacking combat experience in tackling its opponent with deterrent of the same nature on an alien land, is in a predominant position with its weapons excellent both in number and quality.

Rapid progress has been registered in Iraq's efforts to develop chemical weapons, which began only a decade or more ago. The West holds that Iraq obtains its chemical weapons from two resources: purchases and self-production. To date, no authoritative statistics can be obtained on the types of chemical weapons and ammunition owned by Iraq. According to Western estimates, Iraq owns six types of chemical ammunition, including sarin, tabun, VX, mustard gas, Lewisite, and chlorocyanide acid; four types of different caliber chemical artillery shells; and two types of missiles. The chemical weapons in the hands of the Iranian Army are concentrated in ground forces, of which the chemical warfare ability mainly depends on ground artillery and ground-based missile troops.

On the U.S. side, the West deems that the mustard gas and nerve gases currently owned by the U.S. Army totals about 31.1 thousand tons and total output for immediate use reaches about 2,700 tons. At present, the United States turns out 30 thousand tons of sarin annually while the annual production ability of other gases, such as chlorocyanide acid and phosgene, ranges from 20 to 30 thousand tons. All the ground and air forces built up under the U.S. "Desert Shield" operation possess certain chemical warfare abilities. Under the circumstances in which the Iraqi side does not possess air domination, the chemical warfare ability of the U.S. Air Force will exceed that of the Iraqi side by a large margin. It is reported that

since the United States resumed its production of binary chemical weapons in 1982, a complete system of short-, medium-, and long-range chemical weapons has been strengthened and perfected, especially the development of medium- and long-range weapon systems (such as Pershing II and medium cruise missiles) and binary VX "huge-eyed [ju yan 1565 4190]" cruise missiles. Though an agreement on medium-range missiles and another one between the United States and the Soviet Union on prohibiting the use of chemical weapons have both been reached, and the "huge-eyed" cruise missiles have not yet been put into all-around production, it is nevertheless a peak period for U.S. chemical warfare ability and also an overlapping period for the United States in which old weapons have not yet been destroyed while new weapons have already been under development for nearly 10 years.

Analysts contend that regarding chemical warfare abilities, it can be said from an overall point of view that Iraq is in an inferior position; yet, upon a partial comparison, both sides can be said to occupy their own superior position. According to Western analysts, though a complete set of retaliatory plans in chemical warfare has been drawn up by the U.S. Army, it is the first time the United States will fight hand to hand on an alien land with a country possessing deterrent strength. During the period of the Iran-Iraq War, Iraq accumulated rich experience in using chemical weapons to deter and defeat its opponent on its own land, which virtually makes up the distance between itself and the U.S. Army in terms of actual strength.

In recent years, the U.S. Army has made great efforts to enhance the defense and protection quality of its troops. According to the financial figures for fiscal year 1987-88 released by Stockholm's "World Armament and Disarmament" in 1988, \$91 billion and \$151 billion respectively were spent in 1988 and 1989 on the research, development, appreciation, and equipment for defense and protection—3.3 and 1.5 times higher than other spendings for those years. This is where Iraq's weakness lies, for the eight-year Iran-Iraq War made Iraq short of financial resources to take into account its self-building of defense and protection. Observers hold that Iraq would surely be in an unfavorable position with its defense and protection if a "tooth-for-tooth" attitude was taken against it.

UN Resolution on Atomic Radiation Sponsored

OW1610011190 Beijing XINHUA in English
0029 GMT 16 Oct 90

[Text] United Nations, October 15 (XINHUA)—The Chinese Government supports the U.N. activities to protect human health and safety from the effects of atomic radiation, and is ready to contribute its efforts in this regard, a Chinese official said here today.

Speaking today at the U.N. Special Political Committee, Liu Zhaodong, a Chinese delegate to the U.N., emphasized that at the 39th meeting of the U.N. Scientific

Committee on the Effects of Atomic Radiation (UNSCEAR) in Vienna on May 14, 1990, China promised to provide data and materials concerning the five areas, including natural and medical radiation exposures, for the formulation and revision of the new scientific report.

He believed the data and materials provided by China, the most populous country in the world, is of great significance for the new report of the U.N. on the subject.

He reiterated that since the pooling and spreading of atomic radiation data is an important task, the UNSCEAR should provide promptly and spread data and information to the member states and particularly the developing countries.

China, as a co-sponsor of Resolution 44/45 on the future activities of the committee, will be a co-sponsor again this year and involve actively in the consultations to draft a resolution on the effects of atomic radiation.

Environmental Protection Cooperation Stressed

OW1210023390 Beijing XINHUA in English
0044 GMT 12 Oct 90

[By (Zhang Yishi): "Major Developing Countries Need Cooperation in Protecting Environment, Says UNEP Chief"—XINHUA headline]

[Text] Nairobi, October 11 (XINHUA)—Executive Director of the United Nations Environment Program (UNEP) Mostafa Tolba said here today that there is an urgent need for major developing countries to cooperate in protecting the environment.

He told XINHUA in an interview that major developing countries such as China, India, Brazil, Mexico, Nigeria and Egypt need development at a greater pace to help solve the problems of education, housing, health, poverty and illiteracy.

But he argued that in the process of development, they should not neglect the issue of conserving energy as half of global warming is caused by carbon dioxide gas from fossil fuel burning.

Those developing countries should pool some of their resources in finding ways of producing same products with less energy because they have technologies and the industrial base to develop new technologies that would suit the common conditions of the Third World.

But he said that none of those countries alone would be capable of doing this.

"I really don't want to see the developing countries constantly waiting for technologies to come from the West which they fight to get it after a very long period."

Dr. Tolba, who has been the UNEP chief since 1976, proposed that major developing countries cooperate in research and investments in new sources of energy like solar and wind.

"We have all those new sources in the Third World and we can get them developed rather than wait for others to develop for us," he noted.

Although it is difficult for many developing countries to put aside money to correct environmental mistakes in the next 10 years, he said, they still have to look into the long-term because they can not afford to correct the mistakes by the time when the cost of energy is huge, the labor is more costly and raw materials are harder to get.

"It is high time that we really adjust the economy and ask economists to tell the truth about the ecological damage, that is the real price of any goods or service including the cost to the society and the cost to the environment," said Dr. Tolba.

He urged all the developing countries not to tread on the heels of industrialized countries in developing their economies because developed countries themselves are now "paying a very high price" for the destruction and pollution that mainly took place in the past 40 to 50 years. The UNEP chief called for the adjustment of economic values and processes because it is necessary for both the market economy and the centrally planned economy to put the exact prices of goods and services that are given as far as they are affecting the environment.

In this way, he noted, the adjustment of the resources of budget would be on a much better and clearer basis without all these fights among the ministers who want to take a better share of the cake.

Human activities have induced unfortunate changes, said Dr. Tolba, adding that the ozone layer that man destroyed would not be healed before the year 2700 even if the international community take resolute actions.

"We are not committing ourselves to the environment and we are not committing to new and younger generations which are not yet born at all," he argued.

His anxiety for the future of the environment—the earth's life support system—could be matched by an oil painting he put up in his drawing room, which depicts a man just coming out of the eggshell that nurtured him only to find he faces a land of desert under the scorching sun.

"I really don't know if we can rehabilitate the environment to the stages of our grandparents. But what the human beings can at least do is to come back to their senses and stop the further destruction of the environment," added the UNEP executive director.

Environmental Action Praised

OW1510143390 Beijing XINHUA in English
1331 GMT 15 Oct 90

[Text] Bangkok, October 15 (XINHUA)—Responsible actions at individual, national, regional and global levels should be taken to solve the environmental problems facing the world today and all governments of the world must strengthen comprehensive environmental regulations and enforcement policies.

These remarks were made by some U.N. officials who addressed today's meeting of the ministerial-level conference on environment and development in Asia and the Pacific organized by ESCAP (U.N. Economic and Social Commission for Asia and the Pacific).

In his speech, Mustafa Tolba, executive director of the United Nations Environment Program (UNEP), said people and governments are choosing environmental protection while pursuing social and economic development, but the gap between aspiration and action is still too great.

Despite enormous problems, environmental action in the Asia and the Pacific region grows stronger day by day, he said, adding that Japan's pollution control, Thailand's moratorium on tropical timber exports and China's ecological villages are the shining examples of how to involve people in environmental protection, forest preservation and rural development.

K.G. Singh, assistant administrator and director of the Regional Bureau of Asia and the Pacific of the United Nations Development Program (UNDP), told the meeting that greater financing, global cooperation, innovation and community initiatives are vital to sustainable development of the Asia and the Pacific region.

He said over 500 million U.S. dollars in UNDP funds worldwide is currently targeted on environmental aspects of development and over the next five years, UNDP will channel over 1.5 billion U.S. dollars in new grant aid to the Asia and the Pacific region.

He said UNDP has forged a new partnership with the World Bank and UNEP in launching a "global environment facility" which will direct billions of dollars in grant and concessional loan assistance to reverse environmental degradation in the region.

UNDP will also support widespread adoption of currently available technologies for agriculture, mining, industry, transport, waste management and energy conservation which would help to protect and preserve the environment, he said.

Nafis Sadik, executive director of the United Nations Population Fund, said the population of Asia has already surpassed the 3 billion mark, representing close to 60 percent of the world population.

In the year 2000, Asia and the Pacific will have 3.7 billion people, and in 2025 a total of 4.9 billion, she said.

She urged slower population growth and more balanced distribution to relieve pressure on resources and to mitigate negative effects of population and environment.

Asian Development Bank President Kimimasa Tarumizu said that the bank was prepared to commit resources that would generate maximum environmental benefits.

United States & Canada

Article on U.S. Restrictions on PRC Imports

HK1610022390 Hong Kong SOUTH CHINA
MORNING POST (BUSINESS POST) in English
16 Oct 90 p 5

[By Geoff Crothall in Guangzhou]

[Text] The United States must relax restrictions on imports from China before any substantive talks on reducing the two countries' trade imbalance can begin, a senior Chinese trade official says.

Mr Gu Yongjiang, of the Ministry of Foreign Economic Relations and Trade (MOFERT), said U.S. trade restrictions were the "most important problem" facing the two countries.

Of particular concern was the continued clampdown in textiles, China's largest foreign exchange earner, the deputy minister added.

"All other problems are insignificant by comparison," he said.

"The United States is by far our most important market. We are quite prepared to increase our imports from the U.S. in fact we have just sent a major delegation there for that purpose, but the U.S. Government is still reluctant to lift its import restrictions," Mr Gu said.

"Talks are under way but a resolution of the issue will depend entirely on a change in the attitude of the American government," he added.

According to the ministry's statistics, China has a trade deficit with U.S. of around U.S.\$2.5 billion, but U.S. customs figures, which include re-exports from Hong Kong, project a Chinese trade surplus with the U.S. of more than \$10 billion this year, the highest of any country apart from Japan.

U.S. trade officials may be willing to discount part of the value-added during the re-export process but given the country's economic slowdown they are unlikely to throw the door wide open to Chinese exports.

If China's exports and reexports to the U.S. continue to grow as steadily as they have over the past 12 months, China could find itself the target of a Super 301 petition and in danger of losing its most favoured nation (MFN) status.

Should the U.S. Government revoke the status, MOFERT officials have already made it quite clear China will take retaliatory action, imposing massive tariffs on U.S. exports, a move that would endanger a number of major U.S. projects in China such as an aircraft joint venture, due to be finalised early next year.

Mr Gu refused to comment on rumours that China was about to devalue the yuan, a move that would make Chinese goods even more competitive internationally and make imports more expensive.

"That is not for MOFERT to decide," he said. However, the ministry is known to not favour another devaluation as it has had to bail out foreign trade corporations with a foreign exchange shortfall after the last devaluation.

Bank of China sources said a further devaluation, following the 21 per cent depreciation against the U.S. dollar in December last year, had been planned for some time, and it was simply a matter of picking the right moment to proceed.

A 21 or 25 per cent devaluation had been planned for this month but the depreciation of the dollar, to which the yuan is linked, had made a devaluation unnecessary.

U.S. Official Praises New Wholesale Market

OW1510143190 Beijing XINHUA in English
1322 GMT 15 Oct 90

[Text] Zhengzhou, October 15 (XINHUA)—The vice president of the Chicago, U.S.A., Board of Trade said the market mechanism can work within the structure of China's planned economy.

Specifically, William Grossman said, the Zhengzhou wholesale wheat market, a market with distinctive Chinese characteristics, can help grain marketing.

Grossman visited the market, the first of its kind in China, at its opening last Friday in Zhengzhou, capital of Henan Province.

The market is a facility for the interprovincial trading of wheat which is available at negotiated prices. The primary function of the market will be on-the-spot transactions, while future contracts will also be signed. Gradually, the market will offer futures trading.

Wholesale prices of the Zhengzhou market are formed under government guidance through public trading activities. Wheat guidance prices stipulated by the Ministry of Commerce and the state Bureau of Commodity Prices are being used as the maximum and minimum prices for trading in the market.

The Ministry of Commerce may curb the market through purchases and sales by the China Grain Trading Corporation. Meanwhile, applications of grain wholesale enterprises, large production units and users who intend to enter the market must be examined and ratified.

Although the wholesale market is new for Chinese, the first morning after the grain wholesale market opened four transactions were made with the volume of business totalling 19,500 tons of wheat.

Grossman said that price information can be obtained in the wholele market. People may refer to the information when they make purchases and sales. Besides, he said price information is also valuable to help government make a rational production plan.

The representative of the Henan Zhumadian Negotiably Traded Grain and Oil Company, the first seller in the market, said: "Zhengzhou market is a standardized market following the common trading principles. With the guarantee of law, we feel relieved when trading and won't worry about the other party breaking the contracts."

The purchasers said that a monopoly for forcing up prices often took place when grain was in short supply before. "We will not be afraid of suffering losses when doing businesses here," they said.

Liu Dongping, general manager of China Grain Trading Corporation, said: "The major grains are still subject to the 'double track' price system, which implies the price for the contracted purchase and the price for negotiated purchase. As the government measures didn't follow the development of the commodity economy, the government's macro-control of the market was weak."

He said the regular grain wholesale market may solve the problem of purchasing and selling grain to some extent.

Soviet Union

Sino-Soviet Border Talks To Continue in Beijing

OW1610064390 Beijing XINHUA in English
0634 GMT 16 Oct 90

[Text] Moscow, October 15 (XINHUA)—A Sino-Soviet working group ended its 12 days of discussions today aimed at drafting a treaty defining the border between the two countries.

The two sides discussed the defining of the border trend in the east part of the Sino-Soviet borders.

It was agreed that the talks, which were described as having been conducted in a truth-seeking and constructive atmosphere, will be continued in Beijing.

PLA Logistics Delegation Departs Soviet Union

OW1610021590 Beijing XINHUA in English
0204 GMT 16 Oct 90

[Text] Moscow, October 15 (XINHUA)—A logistics delegation of the Chinese People's Liberation Army (PLA) left here for home today after ending its two-week visit to the Soviet Union.

This is China's first logistics delegation, headed by Major General Wen Guangchun, to visit the Soviet Union since the resumption of contacts between the two Armies.

The delegation, which arrived here on October 4, visited some colleges, research units and army units in Moscow and Leningrad and was briefed on the logistic work of the Soviet Army.

The two countries also exchanged views over the construction and reform in logistics, and the promotion of logistics development between the two Armies.

Northeast Asia

Hebei Vice Governor Meets Japanese Group

SK1310004790 Shijiazhuang HEBEI RIBAO
in Chinese 31 Aug 90 p 3

[Report by Wang Ning (3769 1337): "Ye Liansong Meets Japanese Guests"]

[Text] On the evening of 30 August, Ye Liansong, executive vice governor of the province, met with the nine-member fifth visiting group from the Yonago City of Tottori Prefecture of Japan led by Akio Adachi, member of the representative assembly of Yonago City.

Ye Liansong reviewed the economic cooperation and trade progress achieved by the province and Tottori Prefecture, especially in the cultivation of fruit trees and the breeding industry in the five years since the establishment of friendly ties. Ye Liansong praised the developments in friendly exchanges between Yonago City and Baoding City in the past few years. He hoped that the two cities will further strengthen their substantial exchanges and establish friendly ties at an early date.

Akio Adachi, leader of the group, expressed the desire of Yonago City to establish friendly ties with Baoding City at an early date, and passed a letter from the mayor of Yonago City on to Provincial Acting Governor Cheng Weigao.

The Japanese guests have come at the invitation of the Foreign Affairs Office of Baoding City.

Zhang Boxing Meets Japanese Delegation

HK1510052090 Xian Shaanxi Provincial Service
in Mandarin 0030 GMT 10 Oct 90

[Text] Provincial CPC Secretary Zhang Boxing and provincial Governor Bai Qingcai met with the Kyoto Prefecture goodwill mission from Japan yesterday. Both the guests and the hosts expressed their wishes that the friendship between the peoples of China and Japan will last forever.

When Zhang Boxing was meeting the guests, Chief Councilor Osamu Ikami, head of the Kyoto Prefecture

goodwill mission, said: Since Kyoto Prefecture established friendly relations with Shaanxi Province, both sides have scored gratifying achievements in various domains through exchange. Each time I am in Xian, a sense of intimacy wells up in me, not only because the conditions and customs in Xian are very similar to those in Kyoto Prefecture, but because the friendship between the two is progressing day by day.

Zhang Boxing said: Chief Councilor Ikami is visiting Xian in this golden autumn. Autumn is a harvest season. Shaanxi Province and Kyoto Prefecture have carried out a wide range of exchanges in recent years. They have not only promoted mutual cooperation but also strengthened the friendship between the two sides. I wish the blossom of friendship between the two will bring more plump fruits.

When provincial Governor Bai Qingcai was meeting the guests, Chief Councilor Osamu Ikami passed on to him an autographed letter addressed to Governor Bai from the governor of Kyoto Prefecture. Governor Bai asked the mission to convey his and the Shaanxi people's greetings to the governor of Kyoto Prefecture.

In the evening, the provincial governor gave a dinner in honor of the Japanese guests at the Great Wall Hotel. Vice-Governor Sun Daren and others were present on this occasion.

Japanese Retirees Offer Expertise to China

OW1310165590 Beijing XINHUA in English
1453 GMT 13 Oct 90

[Text] Beijing, October 13 (XINHUA)—The Japan Silver Volunteers (JSV), an organization of retired persons, has sent nearly 500 of its members to China over the past few years to offer their technological and management expertise.

"These Japanese experts have been very helpful to Chinese enterprises and research organizations, and their expertise, especially in traditional industries, fits in with China's needs," said an official of China's Science and Technology Exchange Center. The center coordinates the activities of JSV in China.

An agreement between the center and JSV was signed in 1984. The JSV, which now has a membership of 600, sends retired experts to developing countries to engage in technical consultations.

Southeast Asia & Pacific

Chinese Embassy Protests Philippines-Taiwan Act

OW1510154590 Tokyo KYODO in English 1522 GMT
15 Oct 90

[Text] Manila, Oct. 15 (KYODO)—China expressed deep concern Monday over moves in the Philippine Congress to pass a bill it says would recognize Taiwan as

a political entity, leading to the creation of "two Chinas or one China, one Taiwan."

The Philippines-Taiwan Beneficial Relations Act would violate the Manila's "one-China" policy, the Chinese Embassy said in a statement of concern sent to the Department of Foreign Affairs.

"The Chinese Embassy is deeply concerned" with moves to rapidly pass the act, the statement said. "We have repeatedly stated the solemn position of the Chinese Government in opposing the so-called Philippines-Taiwan Beneficial Relations Act."

A foreign affairs official, meanwhile, said the recent recall of Chinese Ambassador Wang Yingfan after less than three years in the Philippines was a sign that China is displeased with Manila's conduct of its relations with Beijing.

Wang's stay in the Philippines was marred by a number of visits of Philippine officials to Taipei despite an executive order prohibiting official contacts with Taiwan, which Manila officially considers a province of China.

In addition to a number of senators and congressmen, officials who have visited Taiwan include Vice President Salvador Laurel, Trade and Industry Secretary Jose Concepcion Jr., Foreign Secretary Raul Manglapus, Central Bank Governor Jose Cuisia, Finance Secretary Jesus Estanislao and Philippine National Bank Chairman Edgardo Espiritu.

Singapore's Lee Kuan Yew Leaves for Beijing

OW1610063990 Beijing XINHUA in English
0631 GMT 16 Oct 90

[Text] Hong Kong, October 16 (XINHUA)—Singaporean Prime Minister Lee Kuan Yew and his party left here for Beijing by air at noon today on a nine-day official visit to China at the invitation of the Chinese Premier Li Peng.

The prime minister and his party were seen off at the Kai Tak International Airport by Zhou Nan, director of the XINHUA News Agency Hong Kong Branch.

After his departure from Singapore on October 14, Lee had a short stay here in Hong Kong.

China Package Tours Popular in Malaysia

OW1510143590 Beijing XINHUA in English
0633 GMT 15 Oct 90

[Text] Hong Kong, Oct 15 (XINHUA)—Lift of travel restrictions to China by the Malaysian Government has brought more business to travel agencies in Malaysia, according to the NEW STRAITS TIMES Sunday.

The move not only has prompted more Malaysian entrepreneurs to seek business ventures in China but also encouraged more Malaysians to spend their holidays in the that country.

It was reported that more than 30 travel agencies had applied to the Home Ministry to conduct tours to China.

Sri-America Travel Corporation, a pioneer in travel industry in Malaysia organizing worldwide tours, has expanded its packages to China. "The response is overwhelming," said a marketing executive of the company.

China tours organized by Sri-America Travel Corp take holiday makers to places as varied as Guangzhou, Fujian and scenic Guilin in the south, Beijing and Taiyuan in the north, Wuhan in the central, Shanghai and Hangzhou in the east, and Xian and Lanzhou in the northwest.

The travel agency plans to add more new tourist destinations to its itineraries in future, said the marketing executive.

Vanuatu President Departs for China Visit

*OW1410135390 Beijing XINHUA in English
1330 GMT 14 Oct 90*

[Text] Canberra, October 14 (XINHUA)—President Frederick Timakata of the Republic of Vanuatu and his party left Port Vila tonight for a goodwill visit to China, according to a report from the capital city of the South Pacific island state.

Seeing him off at the Port Vila Airport were acting President Tah, Prime Minister Father Lini, ministers from all the government departments and officials from the diplomatic corps to Vanuatu.

A grand ceremony for President Timakata's visit was held at the airport.

Li Ruihuan Meets Thai Foundation Chairman

*HK1610005490 Beijing RENMIN RIBAO in Chinese
7 Oct 90 p 1*

[XINHUA report: "Li Ruihuan Meets Thailand's Chen Shih-hsien"]

[Text] Beijing, 6 Oct (XINHUA)—Li Ruihuan, member of the CPC Central Committee Political Bureau Standing Committee, met with and entertained Chen Shih-hsien, chairman of Thailand's Public Welfare Foundation of the Chinese Language Newspaper Publishers, and his entourage in the Great Hall of the People. The two parties had an intimate and friendly talk.

Present at the meeting was Shao Huaze, RENMIN RIBAO editor-in-chief.

Near East & South Asia

Yang Shangkun Meets Iranian Defense Minister

*OW1610092290 Beijing XINHUA in English
0827 GMT 16 Oct 90*

[Text] Beijing, Oct 16 (XINHUA)—Chinese President Yang Shangkun today called for more exchanges between China and Iran to promote mutual understanding and trust.

At a 40-minute meeting with visiting Iranian Minister of Defense and the Support of Armed Forces A. Torkan, Yang noted that there exist good relations between China and Iran and between their Armed Forces.

"Our two sides should work for a closer relationship in various fields," Yang told Torkan who is the first Iranian defense minister to visit China ever since the establishment of diplomatic relations between the two countries 20 years ago.

Torkan told Yang that his talks with his Chinese hosts have been fruitful.

He said that China is Iran's friend and the Iranian leaders attach importance to the Sino-Iranian ties.

He handed Yang a letter from Iranian President Rafsanjani.

Torkan and Yang also exchanged views on the Gulf crisis and the current situation in the Middle East.

Present at the meeting were Qin Jiwei, Chinese state councilor and defense minister; He Qizong, deputy chief of general staff of the Chinese People's Liberation Army; and Ding Henggao, minister in charge of the State Commission of Science, Technology and Industry for National Defense.

Torkan and his party are scheduled to leave for home on Thursday.

Wao Bingqian Meets Iranian Political Adviser

*OW1510131490 Beijing XINHUA in English
1116 GMT 15 Oct 90*

[Text] Beijing, Oct 15 (XINHUA)—Chinese State Councilor Wao Bingqian met and hosted a dinner for Hoseyn Musavi, former Iranian prime minister and political adviser to the Iranian president, and his party here this evening.

The guests arrived here earlier today at the invitation of the Chinese Government.

Commentary Condemns Israel's Middle East Policy

*HK1510121490 Beijing RENMIN RIBAO in Chinese
14 Oct 90 p 6*

["Short commentary": "Check Israeli Authorities' Atrocities"]

[Text] On 13 October the UN Security Council passed a resolution condemning the Israeli authorities' recent acts of brutally suppressing Palestinians in East Jerusalem. The fact that this resolution was unanimously passed shows that the brutal acts of the Israelis have been completely contrary to the will of the people, and that they have been extensively condemned by the international community.

Since the forced occupation of Palestinian territory by Israel, including East Jerusalem, local Palestinian people have been living under the brutal rule of the aggressors. They have been brutally suppressed by the Israeli authorities because they have been staging a protracted and strenuous struggle to restore their own national rights. The massacre in East Jerusalem has been the most serious incident involving bloodshed following the uprising of the Palestinians at the end of 1988, and their struggle to oppose the forced occupation by the Israelis of the West Bank of the Jordan River and Gaza. The Israeli authorities believe that by strengthening their suppression, they can stamp out the resistance of the Palestinian people. They have made a miscalculation. Facts have proved that where the suppression is strong, the resistance is also strong.

The Palestine issue is the core of the conflict between Arab states and Israel, and the crux of the Middle East problem as well. The way to define the status of the occupied territory, including Jerusalem, is the key to solving the Palestine issue in a just and comprehensive way. In recent years, due to the fact that the Israeli authorities have stuck to their rigid stand, the peace process in the Middle East has been blocked again and again, and the Palestine issue cannot be truly solved. If it is delayed and remains unsettled, there will be no guarantee for lasting peace in the Middle East, and peace and stability of the world can also be adversely affected. The recent violent acts of the Israeli authorities have further aggravated the complicated situation in the Middle East. The Israeli authorities cannot escape condemnation.

At present, the strained situation in the Gulf should be urgently solved, and people are making positive efforts to seek ways for its peaceful settlement. In the meantime, people must not neglect the importance of accelerating the peace process in the Middle East, and the settlement of the Palestine issue in a comprehensive, just, and reasonable way. To ensure the safety of the lives and property of the Palestinian people, the international community must exert positive efforts to find a way to immediately stop the violent acts of Israel of slaughtering the innocent, common Palestinian people, and urge it to take a practical attitude toward the peace process in the Middle East. The international community must also seriously consider and take practical steps to find a feasible way for solving the Palestine issue.

Chinese Photo, Film Exhibition Held in Algeria

OW1510025290 Beijing XINHUA in English
0244 GMT 15 Oct 90

[Text] Algiers, October 14 (XINHUA)—A week-long Chinese photo and film exhibition opened today in the Algerian province of Medea some 90 kilometers south of the Algerian capital.

The exhibition will show photos of daily life in China and modern Chinese feature films. The Chinese ambassador to Algeria, An Huihou; and the governor of Medea, Tahar Melizi, attended today's opening ceremony.

NPC Vice Chairman Meets Grand Mufti of Yemen

OW1510132190 Beijing XINHUA in English
1115 GMT 15 Oct 90

[Text] Beijing, Oct 15 (XINHUA)—Seypidin Aze, vice-chairman of the Chinese National People's Congress Standing Committee, met with A.M. Zabarah, grand mufti (general Islamic law consultant) of Yemen, in the Great Hall of the People here this afternoon.

Sub-Saharan Africa

Delegation Leaves for Central African Republic

OW1310090690 Beijing XINHUA in English
0814 GMT 13 Oct 90

[Text] Beijing, October 13 (XINHUA)—Gu Jinch, member of the Chinese Communist Party (CPC) Central Committee, left here today for Central Africa as representative of the CPC to attend the first congress of the Democratic Union of Central Africa due to open on October 18.

Gu is also a deputy secretary of the Sichuan Provincial Party Committee. After the congress he will head a CPC friendship delegation to visit Burundi and Seychelles upon invitation.

Sino-Equatorial Guinean Ties Anniversary Marked

OW1510120690 Beijing XINHUA in English
1043 GMT 15 Oct 90

[Text] Beijing, Oct 15 (XINHUA)—The 20th anniversary of the establishment of diplomatic relations between China and Equatorial Guinea was marked here today at a banquet hosted by the Chinese People's Association for Friendship With Foreign Countries.

Envoy on Bilateral Relations

OW1510232390

[Editorial Report] Beijing Television Service in Mandarin at 1438 GMT on 15 October carries in its "Around the World" program a five-minute speech by Lino Sima Avomo, ambassador of Equatorial Guinea to China,

marking the 20th anniversary of the establishment of diplomatic relations with China.

The video begins with the following caption: "The televised speech by Lino Sima Avono, ambassador of Equatorial Guinea to China, in celebration of the 20th anniversary of the establishment of diplomatic relations with China." It then cuts to a closeup shot of the ambassador, seated, making the speech in his own language, which is superimposed by the Mandarin translation. After extending greetings to the Chinese Government and people on behalf of the government and people of Equatorial Guinea, he said that "over the past 20 years, the peoples and governments of the two countries have played the role of supplementing each other in multilateral and bilateral spheres" and that "Equatorial Guinea and China have adopted similar stands and have made very great contributions to solving many problems that puzzled mankind."

He says that Equatorial Guinea has been closely watching the behavior of various countries in international relations, noting that "Equatorial Guinea holds that the attitude of the Chinese Government has been a contribution to consolidating the sovereignty of new countries, safeguarding the basic rights of various countries and their people, and guaranteeing freedom and justice for mankind. These rights and principles may be summarized by the five principles of peaceful coexistence."

He praises China's "great contributions to improving Equatorial Guinea's capital construction."

To develop the economy in a comprehensive way and establish a more rational international economic order, he points out, it is necessary more than ever for Third World countries to establish closer and more extensive relations in all fields. He concludes his speech by shouting "Long Live the Friendship and Cooperation Between Equatorial Guinea and China."

Chinese Arts, Crafts Exhibition Opens in Kenya

*OW1610012990 Beijing XINHUA in English
0111 GMT 16 Oct 90*

[Text] Nairobi, October 15 (XINHUA)—A Chinese arts and crafts exhibition opened here today.

On display are a variety of meticulously-designed silver wares, Chinese pottery and porcelain, silk, bone carvings and others.

It is the first Chinese arts and crafts exhibition held in Kenya since the establishment of diplomatic relations between China and Kenya in 1963.

The exhibition, scheduled to last till October 25, was organized by the Chinese Embassy in Kenya and Kenyan Ministry for Culture and Social Services as part of the efforts to strengthen cultural cooperation between the two countries.

In a written speech read at the opening ceremony, Kenyan Minister for Culture and Social Services James Njiru said that the exhibition will serve to strengthen the historical ties between Kenya and China.

West Europe

Zhu Liang Departs Austria for Turkey

*OW1310025290 Beijing XINHUA in English
0222 GMT 13 Oct 90*

[Text] Vienna, October 12 (XINHUA)—Zhu Liang, Chinese Communist Party member of the Central Committee and head of the central International Liaison Department, ended today his three-day visit to Austria.

Zhu, who arrived here Tuesday, held talks on Wednesday with Vice-Chairman of the Socialist Party of Austria (SPA) Heinz Fischer to exchange opinions on political and economic situations in their own countries and relations between the two countries.

Talking about the Gulf crisis, they strongly opposed Iraq's occupation of Kuwait and proposed to seek a peaceful settlement of the crisis to avoid the possibility of war.

On the Sino-Austrian relationship, they said exchanges and cooperations in the field of politics, economy and culture will be further developed.

President of the National Council of Austria Rudolf Pöder, Federal Minister of the Interior Franz Loschnak and Federal Minister of Foreign Affairs Alois Mock also met with Zhu.

Mock said the Austrian Government is preparing an overall restoration of its Chinese policies to improve relations and increase contacts between the two countries.

Moreover, Fischer accepted Zhu's invitation to visit China.

Zhu left here today for an official visit to Turkey.

Joint British Manuscripts Begin Publication

*OW1510213190 Beijing XINHUA in English
1627 GMT 15 Oct 90*

[Text] Beijing, October 15 (XINHUA)—The first volume of the series, "Dunhuang Manuscripts in British Collections" was printed recently by the Sichuan People's Publishing House.

British Ambassador Sir Alan Donald gave a reception at his residence here today to celebrate the event. The book is a joint project by Chinese and British scholars.

Present on the occasion were Zhao Puchu, vice-chairman of the National Committee of the Chinese

People's Political Consultative Conference and president of the Chinese Buddhist Association, and scholars of the two countries who have been editing the book.

More than 1,000 years ago Dunhuang was an important city along the ancient silk road, through which China had many exchanges in trade and culture with Western Asian and European countries. Many of Dunhuang's cultural and artistic treasures are now preserved in museums and libraries throughout the world, including Britain.

The publishing of "Dunhuang Manuscripts in British Collections" is a joint project by the Institute of History of the Chinese Academy of Social Sciences, the Dunhuang Manuscripts Editorial Committee of the Dunhuang-Turfan Academic Society of China, the British Library and the School of Oriental and African Studies of the University of London. The book, which will be in 15 volumes, will be completed in three years, with the first four volumes out this year.

Women's Federation Concludes Cyprus Visit

OW1310133290 Beijing XINHUA in English
1251 GMT 13 Oct 90

[Text] Nicosia, October 13 (XINHUA)—A Chinese women's delegation left here today for home after a five-day friendship visit to Cyprus.

The delegation headed by Wang Yuying, deputy director of the International Liaison Department of All-China Women's Federation, was invited by the Pan-Cyprian Federation of Women's Organizations.

During its stay in Cyprus, the four-member delegation was received by Cypriot President Yeoryios Vasilou. Both sides emphasized the friendship between Chinese and Cypriot women. The Greek side praised highly the role the Chinese women have been playing in their country's political life.

The delegation met with Cypriot women of all walks of life, visited kindergartens, an aged folks' home and a school for the deaf-and-mute. It also toured some historic sites.

PRC, Germany Cooperate on Energy Development

OW1310072690 Beijing XINHUA in English
0650 GMT 13 Oct 90

[Text] Hohhot, October 13 (XINHUA)—China and Germany have been co-operating in wind and solar energy development in the Inner Mongolia Autonomous Region, north China, for one year now and the work is going smoothly.

Some experimental bases and testing systems have already gone into operation.

The project aims to use advanced equipment from Germany to develop the rich resources of wind and solar energy in Inner Mongolia in order to supply more power for people in this remote area.

According to an agreement signed between the two sides in July 1989, the technicians of the two countries have studied energy consumption and supply in the area and decided on suitable technology and plans for energy development.

The document was signed by the Chinese Ministry of Foreign Economic Relations and Trade and the Ministry of Economic Co-operation of Federal Germany.

Another agreement on a similar project in Dongying, in east China's Shandong Province, was signed in April 1989 between the Chinese Ministry of the Machine-Building and Electronics Industry and the Ministry of Research and Technology of Federal Germany.

According to Ma Shenghong, an official in charge of the project, Inner Mongolia has built 83,694 wind generators, and 2,761 sets of solar energy systems in the pastoral areas. This has greatly improved power supply there.

Political & Social

Deng Xiaoping Reportedly Had 'Moderate Stroke'

HK1610053890 Hong Kong KAI FANG in Chinese
No 46, 15 Oct 90 p 15

[Article by Shih Feng (4258 7685): "Secret Report From Zhongnanhai: Deng Xiaoping Had a Moderate Stroke"]

[Text] On Deng Xiaoping's 86th birthday this year (22 August), Beijing Hotel sent a truck carrying a big peach-shaped birthday cake to Beidaihe, to express best wishes to Deng Xiaoping, who was staying at the summer resort.

The big peach-shaped birthday cake reportedly had a little door, which when opened, would cause 86 small peaches to spring up one after another; the mechanism used to operate it was automatic. Beijing Hotel used two big refrigerators to send this big peach-shaped birthday cake to Beidaihe.

Deng Xiaoping was very happy to see this fascinating trick; he smiled and said: "It really is wonderful!" Unfortunately, it was only a few days after he celebrated his birthday and returned to Beijing when he experienced new health problems.

Deng Has Had Three Strokes

Various rumors have circulated overseas concerning Deng's health; some said he had an illness common to an old man, some said that he was still healthy.

The information is contradictory; what is the truth?

A friend who had often played bridge with Deng Xiaoping said to me: I have not gone to Deng's house to play bridge since the end of August. As far as I know, Deng is ill, but he is not suffering from the illness common to an old man; he has had a moderate stroke, and his right brain has some problems. This is the third stroke he suffered. The previous two happened last summer and this past January, and were moderate ones. This time it is the most serious one of the three, but there have not been any sudden changes, and there is no great danger.

Zhang Baosheng Plays a Great Role in Deng's Recovery

Zhang Baosheng has played a great role in Deng's recovery; he treated the previous two moderate strokes. Zhang Baosheng used qigong [Chinese art of meditation using breathing exercises] to soothe his arteries and veins and enable the ailing condition to improve until Deng returned to normal. This time when Deng was sick, Zhang Baosheng was also invited to treat him. At present, Zhang Baosheng is under special protection and cannot have any contacts with the outside world; even when an athlete taking part in the Asian Games was hurt, he could not go.

One problem which merits attention is: Zhang Baosheng's strength has been weakening since his marriage,

and it has been reported that by next January, he will lose all of his strength. This will have an impact on Deng's treatment. Other than Zhang Baosheng, there are several qigong masters who have taken part in Deng's treatment.

He Is a Lenient Father at Home

When handling state affairs, Deng Xiaoping is an iron man; but at home, he is a lenient father, and he often smiles and does not talk much. His daughters are free to call him "old muddleheaded." The most impolite daughter is the most pampered Maomao (Deng Rong), who often accuses Deng of some problems; but Deng often listens, smiles, and never loses his temper. Deng used to feel sorry for Deng Pufang and showed special care for his daily life.

The Secret of Healthy Appearance and Stamina

Deng always looks healthy and full of stamina on television. In reality, Deng does not have such stamina; he tires easily and often wants to sleep.

The reason for such a difference is when Deng must appear in public or on television, he will be given an injection of stimulant 20 minutes earlier, and he will have the best spirit 20 minutes later. By doing so, when Deng appears on television, he looks different than in usual times.

Deng's Children Kneel Down Together....

According to the informed person, shortly before "4 June" last year, Deng Xiaoping's children (except Deng Pufang) knelt down before him, to pledge him not to allow soldiers to open fire on the residents and students.

At that moment, Deng Xiaoping felt acute contradictions. He once said if the situation deteriorated and big changes took place, the one who would suffer most again would be Deng Pufang. After the "4 June" massacre, Deng's children continued to bring various information from society to their home, and the whole family reached an almost identical conclusion, that is, the "4 June" incident has to be rehabilitated sooner or later, otherwise, the people's grievances cannot be addressed. In particular, Deng Nan said to Deng Xiaoping time and again if the 4 June Incident has to be rehabilitated by others after he dies, it would better for the incident to be rehabilitated by Deng himself in his remaining time. Deng has not made clear his position on this request. However, it is believed many of Deng's measures are now heading in this direction.

The Situation of His Health Is Highly Confidential

The senior level of the CPC is keeping Deng's health top secret; it worries when Deng's situation becomes critical, new unrest will occur in China, and the situation will become difficult to control. In particular, as Jiang Zemin has not firmly established himself in the army, and Li

Peng is being generally condemned by the people, this kind of unrest is more terrible.

Deng Writes Inscription for First Quyi Festival

OW1210175490 Beijing XINHUA in English
1200 GMT 12 Oct 90

[Text] Beijing, October 12 (XINHUA)—China's first Quyi festival will be held from October 23 to 28 in Nanjing, capital of Jiangsu Province, it was learned here today.

Quyi is a Chinese folk art form including ballad singing, story telling, comic dialogue and clapper recitals.

At a press conference here today a representative of the Chinese Ballad Singers Association said that artists from several cities and provinces, and the Chinese People's Liberation Army will give eight performances. Another dozen performances will be presented next spring in Tianjin.

During the festival, artists will tour factories, villages, army units and schools. Some foreign ballad singers and scholars will be invited to join the activities.

Deng Xiaoping has written the title inscription for the first China Quyi Festival, and state and party leaders, including Chen Yun, Bo Yibo, Song Renqiong, Lu Dingyi and Wang Renzhong, have donated their calligraphic inscriptions.

Sponsors of the festival include the Chinese Ballad Singers Association and the people's government of Jiangsu Province.

Yang Shangkun Interviewed on Reunification

HK1510102090 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 41, 8 Oct 90 pp 3-4

[Report by staff reporter: "President Yang Shangkun's Broad Views on Chinese Reunification—His Remarks During an Interview with Editor-in-Chief of Taiwan's CHUNG-KUO SHIH-PAO"]

[Text] Editor's note: On the afternoon of 24 September, Chinese President Yang Shangkun met with Huang Chao-sung, editor-in-chief of Taiwan's CHUNG-KUO SHIH-PAO, and his company in the Great Hall of the People in Beijing. He also talked about the question of China's reunification at the request of his guests. In this issue, we have carried the main points of these important remarks. [end editor's note]

Abstract: —Reunification of the motherland is a trend of the times and the desire of the people. The way out for Taiwan lies in the reunification of the motherland and the best method for realizing this reunification is "one country, two systems."

—The policy of "peaceful reunification and one country, two systems" is not merely a political slogan but an

objective demand of the historical development and the people on both sides of the strait.

—The proposal on the CPC and the Kuomintang [KMT] holding negotiations on a reciprocal basis is based on the consideration of the current positions and roles of the two parties and the real situation. It can also help the Taiwan side avoid some awkward questions. At the same time, we are ready to hear the opinions of other parties, factions, groups, and people from all walks of life in Taiwan on the motherland's reunification.

—Provided both sides sit down to talk and discuss the reunification issue in accordance with the principle of "there is only one China," all questions can be discussed. If Mr. Li Teng-hui has made up his mind to invite me to Taiwan, I will go, provided security is guaranteed.

—At present, the method for promoting reunification is to strengthen the ties between both sides and to realize and develop the "three exchanges [referring to the exchange of mail, exchange of trade, and exchange of air and shipping services]." Only when both sides trust each other can their relations be more harmonious and can reunification be realized.

—The problem concerning reunification of both sides cannot be solved overhastily, but it cannot be done slowly, either. It is hoped that Mr. Li Teng-hui can do something to promote the reunification of both sides. [end abstract]

The Way Out for Taiwan Lies in Reunification of the Motherland, the Method for Realizing Reunification Is "One Country, Two Systems"

I feel that the relations between both sides of the strait are much better than several years ago. First, an increasing number of people are coming from the island, not only those who come to visit their relatives and travel, but also many scholars, government personnel, and some important personages of the KMT. Before Mr. Chiang Ching-kuo died, there were very few contacts between the two sides. The blockade was rather strict at that time. Now, more and more people are coming to the mainland. Moreover, when there are important activities on the mainland, Taiwan's press circles also send their men to the mainland. All this is good for both sides.

We hope both sides will be reunified as soon as possible. Taiwan is originally a part of China and a member of the big family of the Chinese nation. In history, Taiwan was separated from the mainland several times. They were all caused by external force. The current separation is a question left over from the CPC-KMT struggle. When Mr. Mao Zedong was still alive, he already urged the two parties to discuss the question of reunification. Although due to historical reasons, both sides have been separated for dozens of years, reunification of the motherland is still a trend of our times and the desire of the people. We are always thinking of a way to solve the Taiwan issue so

that both sides can join hands in building the motherland. The way out for Taiwan lies in the reunification of the motherland.

The best method for reunification of the motherland is "one country, two systems." That is, Taiwan, a special administrative region of China different from other provinces on the mainland, enjoys greater autonomy than the autonomous regions on the mainland and adopts a social system different from that on the mainland. It can reserve some of its troops. The mainland will not send people to Taiwan. On the contrary, we welcome Taiwan to send people to participate in the central administration. This policy was put forth in consideration of the interests of various sides and in light of reality. The policy of "peaceful reunification and one country, two systems" is not merely a political slogan but an objective demand of historical development and the people on both sides of the strait.

"Three Exchanges" Is Good for Promoting Contacts Between Both Sides

In our opinion, the "three exchanges" is good for promoting contacts between both sides. For example, we are in favor of direct trade between both sides, but this has not been realized.

Taiwan needs coal produced on the mainland, and we are willing to supply it. But now we still cannot discuss the matter directly and coal is transported via Hong Kong. The expenses are also much higher. With regard to personnel exchange, Taiwan has a political prejudice against mainland people who want to go there. They demand that Communist Party members withdraw from the party. There are 50 million Communist Party members on the mainland, and many relatives of people in Taiwan are party members. We have never asked about the political status of those who come from Taiwan. We have never asked them whether they are KMT members or demanded them to quit the KMT. At present, there is inequality between both sides in the "three exchanges." So far, of Taiwan's 20 million residents, more than 1 million have come to visit the mainland. But of the 1.1 billion people on the mainland, only several thousand have visited Taiwan.

In the past, some people in Taiwan said we were afraid of visits by the Taiwanese people, because the people of Taiwan might realize how backward the mainland was. They also said they welcomed the mainland people to visit Taiwan so that they could see how prosperous Taiwan was. But facts prove just the opposite. The mainland people are entirely unable to go to Taiwan, and not all the Taiwanese people who have visited the mainland are saying the mainland is not good. When we look at Taiwan, we too, do not hold that everything is good there. But we never evade our problems when talking about the mainland. When more people have come, they can have their own judgments based on what they have seen. It is necessary to look at a society on a

just stand. Every society has its advantages. The differences between both sides in standard of living cannot become a reason for deferring the reunification. Some people of the Taiwan authorities have still not yet understood this. First, they are afraid of our "united front" policy; second, they are afraid that people may be "reformed" by us; and third, they are afraid that we may send special agents to Taiwan. As a matter of fact, from the very beginning, we have forbidden all such practices among the people from Taiwan.

At present, a method to promote the reunification is to strengthen the ties between both sides and to realize and develop the "three exchanges." The purpose of the "three exchanges" is to eliminate gradually the antagonistic feeling and enhance mutual understanding between the two sides. Only thus can we make the relations between both sides more harmonious. On this question, we have made greater efforts than the Taiwan side.

The Two Parties Should Hold Talks on a Reciprocal Basis and Realize "One Country, Two Systems"

The CPC and the KMT should sit down to talk and discuss the question of how to realize "one country, two systems" on a reciprocal basis. In these years, although information has been passed through certain channels, there has still been no direct contacts between the sides. Some people in Taiwan are trying to defer the reunification on an excuse that the standard of living on the mainland is not as high as that in Taiwan. This is really unreasonable. If we compare Taiwan with the mainland, we can find that the mainland has many things that Taiwan does not have, such as large-scale iron and steel industry, machine-building industry, and the most advanced branches of the electronics industry. Taiwan is not more advantageous than the mainland in all spheres. Judging from the general strength, Taiwan is but a thin person, but the mainland is a giant. Per capita income cannot be taken as a condition for the reunification. Moreover, the reunification does not mean to forfeit the money and property of the Taiwanese people or an action of "fighting the local tyrants" as we did in the past. Our policy is to enable both Taiwan and the mainland to develop simultaneously. To establish trade relations means to supply each other's needs. Taiwan is deficient in iron, steel, coal, and oil, but the mainland has abundant resources in this respect and can supply them to Taiwan. Having engaged in construction for dozens of years, both sides can now make a comparison calmly to see what achievements have been made by each side. On the mainland, some 16 million babies are born each year. We have to make great efforts to solve the problems concerning their food, clothing, schooling, and employment.

We propose that the two parties should sit down and hold talks unconditionally on the basis of "one country, two systems." But this still has not been realized even to this day. It is not a good thing. If talks were started five years ago, things would have been better for both sides

and the relations between both sides would have been promoted. At present, it is also very difficult for Taiwan to develop its industries, because Taiwan's industries are basically processing industries. Although they also have some electronics industries, they are small in scale. We are in favor of the policy of "one country, two systems," under which both sides can develop their undertakings independently and none can swallow up the other. The implementation of the policy of "one country, two systems" will do no harm to the interests of the Taiwanese people. But even to this day, some people in Taiwan still do not believe it.

The Most Important Thing for the Present Is To Establish a Communication Channel That Can Represent Both Sides

At present, the most important thing is to establish a communication channel that can represent both sides. The responsible persons or organizations of both sides should formally sit down and talk. The talks can be started at some lower levels and then gradually be held at higher levels.

We propose a talk between the CPC and the KMT. This is, first of all, a consideration of the difficult situation of the Taiwan side. If the talks are not held between the two parties, it will be difficult to solve the question that Taiwan is a local government. To evade this point, we propose that the CPC and the KMT hold talks on a reciprocal basis. For this reason, when Mr. Li Teng-hui was elected chairman of the KMT, we sent a message of congratulations to him in the name of the general secretary of the CPC Central Committee, hoping that both sides could be united as soon as possible and that Li Teng-hui could do his bit for the reunification. But when he was elected "president," we did not send a message of congratulations to him, because we could not do that as there is only one China in the world and that is the People's Republic of China. China can have only one government and it is in Beijing. Taiwan is always a province of China. This cannot be changed. In the first stage of talks, this question can be evaded. We can first talk about how to establish trade relations and carry out cultural exchanges between both sides. Of course, by talking about all these questions, the political issue of reunification still cannot be resolved. Nevertheless, we can avoid the problem of "the big swallows up the small."

We are not in favor of "one country, two governments," because in this case, there will be two Chinas. If we want to reunify the country, the central government will certainly be in Beijing, and the country will certainly be the People's Republic of China. This is sure. We cannot make a concession on this question. To make things convenient to Taiwan, we can discuss the "three exchanges" before everything else. The policy of "one country, two systems" has been proved successful on the Hong Kong and Macao issue. Taiwan is different from Hong Kong and Macao. The policy can be more flexible.

Provided Both Sides Sit Down and Talk, All Problems Can Be Discussed

Taiwan is a part of China. In the year when Mr. Chiang Kai-shek accepted the return of Taiwan to the motherland, he was also representing China. Now, the position of Taiwan is still unstable. There is still the danger of being taken away. For this reason we do not promise not to use force. This does not mean that we will attack Taiwan. How can we attack our own compatriots in Taiwan? We do not promise that we will not use force. This is to prevent some people from separating Taiwan from the motherland.

In the talks, both sides can discuss all kinds of plans. All mass organizations and parties in Taiwan can participate in the discussion, but there should be one party or organization to play the main role. During the talks between the two parties, we will also listen to the opinions of various other parties, social groups, and people from all walks of life in Taiwan on the reunification of the motherland. We welcome them to the mainland, and we should also be allowed to go there. After listening to the opinions of various quarters and making a comparison among them, we will then be able to find a workable plan. For example, the development from economic contacts to political contacts is also applicable. Provided both sides sit down to discuss the question of reunification on the basis of "one country, two systems," all questions can be put forth for discussion and consultation.

Recently, some people in Taiwan proposed to "freeze" and "cool down" the mainland craze. This is nothing good to both sides. We are not in favor of such practice. We would like to see that the relations between both sides are becoming closer and closer. As everyone knows, Wang Yung-ching wants to invest in the mainland. But he is faced with a great pressure from the Taiwan authorities, which threatened to impose sanctions on him. Another example is Chang Hsueh-liang. We invite him to the mainland, but the Taiwan authorities do not allow him to come. On our side, there are also many veteran KMT members, such as Zheng Dongguo and Hou Jingru. They have many subordinates in Taiwan. Therefore, they should be allowed to visit Taiwan. Recently, Mr. Chian Mu passed away. But the Taiwan authorities did not allow his relatives on the mainland to go to Taiwan for the funeral ceremony. This is really unreasonable. The same thing also happened when Mr. Chang Ta-chian died. This is but a matter of traditional Chinese ethics. It has nothing to do with communist propaganda.

In short, both sides still do not trust each other. Although there is common understanding in certain fields, there are also differences in the degree of understanding. The press circles must do more work to promote communication. Of course, on an objective stand, the press circles may also criticize what is bad. I think a method for the press circles to promote and enhance the mutual trust

and common understanding between both sides is that they come on more occasions.

I can say with a responsibility that we have been paying great attention to the smuggling of guns rather than encouraging it as some people have said.

Some people even demand us to withdraw our troops by 300 kilometers from Fujian Province. This is really ridiculous. We have cut down 1 million troops and canceled the Fuzhou Military Region opposite to Taiwan. There are only a small number of troops there, which are mainly responsible for maintaining social order. If we are demanded to withdraw our troops by 100 kilometers, I can also propose that the Taiwanese troops do the same. Where can they go then? In modern wars, places several hundred kilometers away can be reached by plane in as little as several minutes. That is why I think it is too naive to say that.

The Reunification Issue Can Not Be Treated Overhastily Nor Slowly

We have placed two hopes on Taiwan. One is on the Taiwan authorities, and the other is on the masses. More contacts should be made in both fields. The contacts with the Taiwan authorities should not be carried out in generalities but should be carried out by people with authority. In nongovernmental contacts, we welcome more Taiwanese people to come, either to travel or to visit their relatives (some 80 percent of the people in Taiwan have relatives on the mainland), including those from the Democratic Progressive Party. We can hold talks respectively so as to pool the opinions of various quarters and achieve a common understanding.

If Mr. Li Teng-hui has made up his mind to invite me to Taiwan, I will go, provided security is guaranteed. Only through more contacts can we achieve a common understanding and have faith in each other.

The question concerning the reunification of both sides cannot be resolved overhastily, nor slowly. As the people who know the past history are still alive, the issue may be more easily resolved. Mr. Li Teng-hui can also play a greater role, because there is not a historical load on his mind. In a speech, General Secretary Jiang Zemin said that he hopes Mr. Li Teng-hui will be able to promote the process of reunification. The pace of reunification should not be too slow. If all who are present here are unable to see the reunification, it is really too bad. An old Chinese saying says: "A long night is fraught with dreams." In Taiwan, there are actually some people who do not want to see China's reunification. They want to make Taiwan independent. Another old Chinese saying says: "Where water flows, a channel is formed." We must try to make the water flow faster. It would be awfully bad if the water flows slowly and the channel is formed in a thousand years.

Li Ruihuan Attends Ceremony for Liyuan Theater *HK1610050490 Beijing RENMIN RIBAO in Chinese* 9 Oct 90 p 1

["Dispatch" by XINHUA reporter Li Yafei (2621 0068 7236) and RENMIN RIBAO reporter Xu Jianzhong (1776 1696 0022): "Beijing's Liyuan Theater Opens; Li Ruihuan and Others Watch the First Performance"]

[Text] Beijing, 8 Oct (RENMIN RIBAO)—Graceful dances and soft music celebrate the times of prosperity, and a brass pipa [a plucked string instrument with a fretted fingerboard] and iron plates resound in the capital. Tonight, our country's first Beijing opera art hall—Liyuan Theater in the Beijing Qianmen Hotel—opened.

A zestful Li Ruihuan, member of the CPC Political Bureau Standing Committee; and leaders, including Song Renqiong, Liu Huaqing, Liu Lantao, Chen Xilian, Duan Junyi, Liao Hansheng, Gu Mu, Wang Guangying, and Qu Wu, watched the first performance and extended greetings on the opening of Liyuan Theater.

Beijing opera is our country's greatest type of drama, may be rated as the "national opera," and also enjoys a high international reputation. Many foreign guests come to China, especially Beijing, and eagerly hope they can watch the graceful Beijing opera. However, for many years Beijing had not had a special theater for the performance of Beijing opera, and thus it was difficult to make arrangements for foreign tourists to watch Beijing opera.

Liyuan Theater has no exhibition or sales hall. It is both a window to show the art of Beijing opera and an art hall to show the types of costumes, facial makeup, music, makeup, and stage properties used in Beijing opera.

'Feature' Views Young Pioneer Counsellors

OW1510171490 Beijing XINHUA in English
1530 GMT 15 Oct 90

["Feature: Counsellors of Young Pioneers—Friends and Instructors (by XINHUA correspondent Wang Nan)"]—XINHUA headline]

[Text] Beijing, October 15 (XINHUA)—"On one end of a seesaw on a summer day is a watermelon, and on the other end is a lump of ice. What will happen later to the seesaw, which is now in a state of balance?" Han Zhendong asked a group of 10-year-old girls.

"The ice will dissolve and the watermelon end will dip, and ... The watermelon will roll away and the seesaw will return to its state of balance," the girls all said together.

"Our children are really very smart today," said Han, who is now attending the National Conference of Young Pioneers and their counsellors. He has been counsellor for Young Pioneers for over 30 years and has developed lots of intelligence tests for children.

"Many foreigners hold that children's education after school in China is dull and full of empty slogans," he noted. "This is not true. Extracurricular activities for schoolchildren in our country, mostly conducted by Young Pioneers counsellors like me, are becoming more colorful and practical," he said.

All the 130 million schoolchildren between the ages of seven and 14 in China are Young Pioneers who are required to wear red scarves at school. Thirty-seven million counsellors, who are assigned to almost every class, are responsible for their after-school activities and their moral education.

Young Pioneers' counsellors are supposed to be their "friends and instructors". They are usually selected from outstanding teachers at primary and junior high schools.

Wu Yunhong, a 69-year-old retired counsellor, said that the Chinese Young Pioneers brigade is different from any other student organization. "The counsellors for Young Pioneers have proved to be useful for helping children outside class," she said.

In the past few years many meaningful activities have been launched by these counsellors across the country, including training in civic duties, sports and drives to instill respect for teachers and parents.

"The desire to be respected by people is very strong among students nowadays in China. Our counsellors must teach them how to respect others and how to be respected by others through the activities we organize," said Han Fengzhen, the senior counsellor in Anyang, in central China's Henan Province.

Zhang Xian'ao, editor of the monthly magazine, "LEARN AND PLAY", which has a total circulation of 300,000 per issue, launched a special column in the magazine called "How Foreign Children Play", and this proved to be very useful for counsellors of Young Pioneers in their after-school activities.

Li Xiuying, 22, from Sichuan Province, said that in China the status of counsellors for Young Pioneers used to be low. "In the past, class teaching was regarded as the most important part of education, and the ability of teachers was thought to be best shown through the academic performance of their students. But now that is no longer the case; we counsellors are getting the respect which we deserve."

In order to become a qualified counsellor for Young Pioneers, Li learned how to play the piano, how to dance and how to organize large-scale artistic performances. In the month-long activity "fill the world with love", 10-year-olds learned how to love their parents, teachers and classmates, and people in the rest of the world.

Education experts have said that both the strong points and the weak points of schoolchildren are very obvious in China at present—they all have broad horizons and they all know the need to be independent in their lives,

but they are fear hardship and can not care for themselves in their everyday lives.

How to better combine moral education with attractive after-school activities will prove to be a hard test for Chinese counsellors for Young Pioneers, the experts caution.

Editorial Greet Anniversary of National Day

HK1610053790 Beijing GUANGMING RIBAO
in Chinese 1 Oct 90 p 1

[Editorial: "Develop Steadily, Advance Vigorously—Greeting the 41st Founding Anniversary of the PRC"]

[Text] We have ushered in the grand celebration of the 41st founding anniversary of the PRC amid the warm atmosphere of the 11th Asian Games, characterized by "unity, friendship, and progress," on the harmonious and happy occasion of the Mid-Autumn Festival, and at a time when marked achievements have been made in rectifying the economy and deepening reform. The flowers are beautiful, the moon is full, guests and friends have gathered together, and the people throughout the country are fully confident of the future of our socialist motherland.

Over the past year, under the correct leadership of our party and government, the people of all nationalities in the country have seriously implemented the basic line for building socialism with Chinese characteristics; further political, economic, and social stability has been achieved; and gratifying progress has been made in domestic and diplomatic affairs.

The new central collective leadership with Comrade Jiang Zemin as the core has taken shape and enjoys the support of the people throughout the country; the line, principles, and policies of the Fourth, Fifth, and Sixth Plenary Sessions of the 13th CPC Central Committee are being smoothly put into effect; practicality has received serious attention and popular trust has been won in building an honest government. All this has provided an important political guarantee for China's stable development.

In the course of rectifying and improving the economy and deepening reform, steady steps have been taken, the socialist cause has developed in coordination, and the national economy is turning for the better. Inspiring and encouraging changes have taken place on the ideological and cultural fronts for the past year. As a result of profound and effective education and struggle against bourgeois liberalization, due to restudying and propagating the theory on scientific socialism in light of the domestic and international situations, and because ideological and political work as well as spiritual civilization have received more attention and emphasis, the people throughout the country have firmer confidence in socialism and a comparatively great change has taken place in the general mood of society.

New situations have also emerged in education, science, technology, art, and literature; in press and publication circles; as well as in theoretical research. The study style of combining theory with practice has been reaffirmed and carried forward, and a lively situation has initially taken shape in which a hundred flowers blossom and a hundred schools of thought contend. Combining themselves with practice, workers, and peasants has become a conscious action of intellectuals, who are witnessing improvements in their working and living conditions. Under the concern and initiation of the CPC Central Committee, the atmosphere of respecting knowledge and talented people has become stronger in the entire society. The majority of intellectuals, through study and practice, are devoting themselves to socialist modernization with full patriotism.

In face of major changes in the international situation over the past year, China has unswervingly pursued an independent and peaceful foreign policy and achieved gratifying development and new breakthroughs in foreign relations. The PRC has stood aloft in the East with a peaceful, friendly, and lively image and played a major role in international affairs.

The past year is a year that has laid a solid foundation for future progress. The year 1991 will be a new period for China to implement the Eighth Five-Year Plan for national economic and social development. Along with the Eighth Five-Year Plan, we should also draw up a program for the 10 years up to the end of this century. After the Third Plenary Session of the 11th CPC Central Committee, Comrade Deng Xiaoping vividly summed up the process of China's modernization as "three melodies." The first melody has been completed following the doubling of the GNP. The second melody, now still under way, is aimed at quadrupling the GNP by the end of this century. The Eighth Five-Year Plan and the 10-year program will provide more details for our targets and make our steps more steady. With the fulfillment of our targets, there will be more hope for us to reach the standard of medium-level developed countries in the next century, thus fulfilling the third melody.

On the happy occasion of the 41st founding anniversary of the PRC, we should treasure the good aspects in the past year of steady development, overcome difficulties with full confidence, forge ahead with steady steps, and vigorously strive for new successes in socialist modernization!

Anti-Corruption Campaign Expansion Planned

*HK1510044490 Beijing CHINA DAILY in English
15 Oct 90 p 1*

[By staff reporter Chang Hong]

[Text] The central government is set to further expand the nation's anti-corruption campaign by enlisting more of the country's experts and scholars to work as "guest supervisors" to help officials in their work.

The number of so-called "specially invited supervisors" or "guest supervisors" has grown to more than 4,000 in less than a year since the practice was adopted nationwide, according to the Ministry of Supervision.

Guest supervisors, including lawyers, professors, senior engineers, and other professional people, have joined government supervisory departments in investigations into many corruption cases. They have also served as middlemen to forward complaints and allegations on official irregularities from the public to supervisory offices.

The Ministry of Supervision, which initiated the idea, believes that the practice is a way to improve the watchdog mechanism combining regular administrative supervision with public surveillance.

As the first group of guest supervisors of the ministry, 21 senior engineers, accountants and professors were issued with certificates by Minister Wei Jianxing last December.

"Forces to supervise the government lie on the masses," Wei said at the time.

The 21 guest supervisors have been engaged in the investigation of a number of major cases. These cases mainly involved violation of State financial rules and dereliction of duties.

The guest supervisors are from eight non-Communist parties and a non-governmental industry and commerce association.

Therefore, from the point of view of the United Front Work Department of the Chinese Communist Party Central Committee, the approach has "opened a fresh channel for non-Communist party members to participate in government work."

Solving Problems of World Outlook, Methodology

*HK1010071590 Beijing RENMIN RIBAO in Chinese
21 Sep 90 p 7*

[Article by Zhou Keyu (0719 0344 3768): "In Studying Philosophy, Cadres Must Pay Attention to Solving Problems Regarding World Outlook and Methodology"]

[Text] At present, the study of philosophy has aroused wide attention within the party, particularly among leading cadres. In studies, many comrades adhere to integrating theory with practice and attach importance to solving problems with respect to world outlook and methodology. Given the situation of carrying out economic improvement and rectification and deepening reform, they increasingly realize that studying and using philosophy have important practical implications.

Marxist philosophy is learning about world outlook and methodology. In studying and using philosophy, leading cadres should, most important of all, adhere to integrating theory with practice and strive to solve problems

regarding world outlook and methodology. In practice, each one of us will form a certain world outlook and methodology. But, generally speaking, the world outlook and methodology so formed will not be systematic and self-conscious, and will even sometimes include errors and prejudices, if there is no accurate theoretical proof and strict logical thinking. It is not difficult to imagine the outcome if a leading cadre directs work by relying on such a world outlook and methodology. It is only by transforming one's own world outlook and methodology with the use of Marxist philosophy through long-term and conscientious studies to eliminate the erroneous parts, theorize them, and systematize them, that we can radically improve our ability of knowing and transforming the world and truly achieve the results of "enjoying lifelong benefits by studying philosophy well" as asserted by Comrade Chen Yun.

The scope and contents of studying philosophy and solving problems regarding world outlook and methodology by leading cadres are very extensive. I think that, at present, there are a few problems that particularly demand our attention and consideration.

It Is Necessary To Resolve Well the Question of "For Whom," i.e., the Question of Our Basic Standpoint and Starting Point in Considering Problems and Handling Things

At the Yanan Forum on Literature and Art, Comrade Mao Zedong made this famous remark: "The question of 'for whom' is fundamental; it is a question of principle." In reality, this is a fundamental question and a question of principle for not only literature and art workers but also all people, because the issue of "for whom" is the core of world outlook. All exploiting classes work in the interests of themselves and a minority of people. This is determined by their world outlook. We communists take wholehearted service to the people as the party's sole purpose. This fully embodies the proletarian world outlook of dialectical materialism and historical materialism. Therefore, in studying philosophy and transforming world outlook, the most fundamental thing for leading cadres to do is to change this purpose into practical action. But some comrades lack a profound understanding of this purpose. Some feel it is pedestrian and cannot further expound its principle. Some only take it as doing some good things and even take it as a slogan without earnestly practising what they advocate. Facts prove that treating the party's purpose with a simplified, vulgarized attitude is often the beginning of deviating from the proletarian world outlook.

How to understand and handle relations with people involves the success and failure of an undertaking and the rise and decline of a nation, and is a major issue that no political group can evade. Even the rulers of the feudal age in Chinese history were not all insatiably avaricious people. There were also some enlightened monarchs and politicians who repeatedly emphasized the idea of "attaching importance to people" and even compared the relationship between the people and their

rulers to that between water and a boat, holding that "water can carry a boat but can also capsize it." These political ideas were of progressive significance at those times and, as part of the national ideological and cultural heritage, will also serve as reference to a certain extent for our socialist cause of today. But, as far as politicians and thinkers of the feudal ruling class were concerned, their standpoint and starting point were not for their people, but for consolidating their own rule and for preventing their own "boat" from being capsized by the "water" of the people. Their various honest and upright deeds and reformatory measures were nothing more than concrete methods of achieving this purpose. There existed irreconcilable contradictions between their actions on the one hand and their starting points, methodology, and world outlook on the other. Therefore, their various theories on "highly valuing the people and taking lightly of the monarch" and their various sincere professions of interests relationship between the boat and the water could not truly move the ruling class, still less check the vicious expansion of its inherent greedy and corrupt tendencies. This is the fundamental reason why the feudal dynasties of past ages could not avoid being toppled by the people, despite the existence of some sober monarchs, sagacious prime ministers, upright officials, and loyal subjects.

As vanguards of the proletariat, Chinese Communists, in line with the world outlook of dialectical materialism and historical materialism, fully affirm that the people are the main bodies of historical activities and the fundamental motive force of social progress, thereby regarding wholehearted service to people as the core of their world outlook. This has determined that our party, whether in its starting point of understanding problems or in its standpoint of doing practical work, places the interests of the people as the supreme interests, and completely and thoroughly takes the same stand as the people, without seeking any private gains of its own. It has carried out unyielding, epic, and heroic struggles to this end, sacrificing thousands upon thousands of fine sons and daughters of the party for the cause of the people. This has broken from the historical limitations of merely viewing its relations with people from its own interests and, on the question of serving the people, truly realized the unification of world outlook and methodology, of theory and practice, and of words and deeds. Herein lies the advance, strength, and life of our party. Whether in the struggle for the new democratic revolution and socialist revolution and construction initiated by the first generation of our party's leaders, represented by Comrade Mao Zedong, or in the cause of socialist reform and opening up initiated by the second generation of leaders represented by Comrade Deng Xiaoping, people can profoundly feel the noble ideal and dedicated spirit of the Chinese Communists in their rendering wholehearted service to the people. It is precisely on the basis of such personal experiences that the consistency of being responsible to the people and to the party and the consistency of party spirit and affinity to the people, that the party has come to be recognized and accepted by the

people, who have obeyed and followed it. It can thus be seen that the purpose of our party's wholehearted service to the people is established on the basis of profoundly summing up historical experiences and correctly understanding and mastering the laws of social development, and also on the basis of conscious struggle and sacrifices of thousands upon thousands of communists. Only by understanding and solving the question of "for whom" at this level, conscientiously and systematically studying Marxist philosophy in conjunction with the realities of one's own world outlook and methodology, and persisting in it for a long time, can our leading cadres acquire a broad vision and a strong, spiritual motive force and effectively strengthen their capability to resist, immunize against, and combat various corrupt phenomena.

We Must Be Pragmatic and Truth-Seeking in Observing Facts, Judging Situations, and Solving Problems

Respecting objective realities and persisting in seeking truth from facts are the basic qualities that a leader should possess. In studying philosophy, transforming our world outlook and methodology, and solving the question of "for whom," we have to resolve the problem of what kind of people we should be. Famous educationist Tao Xingzhi had this famous saying: "Taking all in all, we should teach people to seek truth and should learn to be true persons." To seek truth is to look squarely at contradictions, expose them, and seek truth. To be true persons is to be honest persons seeking truth from facts. As leading cadres shouldering heavy responsibilities, the most important aspect of work is to clearly understand the actual situation, painstakingly deal with concrete matters relating to work, and seek truth. We should never be crude or careless, echoing the views of others. It is most dangerous not to understand realities. The party's history has proven that a leader, however brilliant, is bound to make mistakes once he separates himself from realities and the masses.

The pragmatic and truth-seeking approach that we have been talking about is a basic work method extended from the dialectical materialist world outlook. It reflects the basic stand and attitude held by communists towards the objective world and has specific implications and scientific definitions. We should not comprehend or explain it as we like. So far as leaders are concerned, being pragmatic and truth-seeking means being good at controlling the overall situation and the whole process of work and grasping the essence of things and the main contradictions, rather than being busy all day long, entrapped by routinism in dealing with concrete problems and trifling matters. Being pragmatic and truth-seeking also means being good at bringing into play the initiative of their subordinates and the masses and paying attention to bringing into play the role of functioning departments, rather than attending to everything personally, exceeding one's functions, and meddling in others' affairs. In addition, being pragmatic and truth-seeking means being

able to unify the masses' short-term interests with long-term ones, partial interests with overall ones, and economic results with social effect, so as to radically protect the nation's and the people's interests, rather than pragmatism and short-term behavior of lopsidedly seeking short-term material benefits and partial interests.

What we need to point out is that our special emphasis on being pragmatic and truth-seeking is spearheaded by the existence in varying degrees of unhealthy workstyles in the work of some units and some places, such as covering up problems and contradictions, fumbling with flourishes of formalism, and reporting only good news and holding the bad in the work of some places in varying degrees. The emergence of such a situation is indeed influenced by various reasons and social practices. But, as leading cadres, we should be able to detect that, though these problems have mostly cropped up at lower levels, they often have their roots in the upper levels and in themselves. How can the flourishes of formalism at the lower levels be played up? The main reason is due to the fact that leaders neither go deep into the realities of life nor work in a down-to-earth way, believing some superficial phenomena to be true. Why is it that the style of reporting only good news and not the bad can never be eradicated? This, again, is related to leaders being superficial, relying on reports and data to understand the situation. Some are caused by incorrect thinking of leaders, who are only willing to listen to the good and unwilling to listen to problems. People at the upper levels only know the good if the good is reported and know the bad if the bad is reported, while the people at the lower levels will get benefits for reporting the good and feel the evil effects for reporting the bad. This has resulted in people only reporting the good and not reporting the bad.

Cadres' superficial style is not only a question of work style and work methodology, but also a question of mentality. Comrade Mao Zedong once said: Only idealism and metaphysics are most energy-saving, because they can talk irresponsibly without regard for facts. However, adhering to materialism and dialectics and upholding unity between subjectivity and objectivity will require a lot of efforts, sometimes even causing suffering and sacrifice. Therefore, materialism is always in the control of those who are enthusiastic, enterprising, vigorous, and eager to strive ahead. Lu You, a great poet in the Song Dynasty, could write such a verse with a tinge of naive materialist epistemology: "Whatever comes by in written form gives a feeling of shallowness. To know it thoroughly, it is necessary to do things by oneself." This is apparently related to his high-spirited, patriotic zeal of "taking no self-pity of being left all alone in a solitary village but thinking of garrisoning the frontiers for my country." The reason why Comrade Jiao Yulu, the good cadre of the party, possessed the profound pragmatist experience of "eating the steamed bun chewed by others is tasteless," is inseparable from his noble revolutionary spirit of completely and thoroughly caring for the people and willing to rack his brains for the masses of Lankao

County. Yet, now there are some comrades who do not go deep into the realities of life but deal with contradictions in a roundabout manner. This is but a reflection of their being afraid of difficulties, falling short of initiative, and pursuing the mentality of "being worldly wise and playing safe." This kind of mentality has apparently deviated from the proletarian world outlook. As for some cadres who not only fail to stop their subordinates from employing trickery and practicing fraud, but also resort to such practices themselves so as to fish for personal advantage, it is all the more necessary to search deep into the ideological source of their world outlook.

Rely on the Masses in Everything, Do Everything for the Masses, and Adhere to the Party's Mass Line.

The masses of the people are the motive force of historical advance, the main body of social practice, and the creator of social wealth. This is the truth first expounded by historical materialism and is an important aspect of proletarian world outlook. The application of this world outlook in the great practice of the proletariat to understand and transform the world has become the mass line of "coming from the masses and going to the masses," as consistently emphasized by our party. This is also our party's basic work line and method. It requires that every leading cadre of the party truly put himself in a correct relationship with the masses, become their student before becoming their teacher, modestly learn from them, listen to their voice, understand their feelings, care about their weal and woe, maintain a blood-and-flesh relationship with them, and be good at absorbing wisdom and nutrients from them. He should always examine in his mind whether his mass viewpoint has become blunted, and always be on guard against the tendency of deviating from the masses. This is also an important aspect of transforming the world outlook and methodology of leading cadres.

It should be noted that some comrades have indeed become estranged from the masses in the past few years and that the position of the masses has declined in their eyes. One important manifestation of the unhealthy tendency in the party that has aroused dissatisfaction of the masses is bureaucracy, which is characterized by standing high above the masses and being divorced from them. This condition is related in a certain way to the dual test faced by our party of being in power and of reform and opening up. After the party has become the ruling party in control of the state power at all levels, a lot of work which was solved by directly relying on the masses is handled in accordance with certain administrative systems and organizational procedures. This has enabled the party to acquire more conditions for serving the people and expand its capability of transforming the world. However, if this is not handled properly, this will easily widen the gap with the masses of the people. Taking economic construction as the center and implementing reform and opening up are in the fundamental interests of the people of the whole country and win the wholehearted support of the people. But, in actual work, some comrades tend to have a misconception, holding

that, as long as the economy is handled well and the masses acquire material benefits, everything will be alright. As a result, they consciously or unconsciously overlook the party's basic work line of listening to the voice of the masses and directly relying on the masses. As an outcome under this specific social and historical condition, the tendency of a number of people within the party, particularly some leading cadres, departing from the masses is not only a question of work methodology, but also a question of world outlook in the first place. Besides, overcoming the tendency of divorcing from the masses can never be a natural and easy process; it is rather a process of understanding, including profound reflection of the dual test faced by our party, a practical process of overcoming numerous obstructions and eliminating various interferences, and even a strenuous process of transforming world outlook and methodology. And to realize this process, we cannot do without the guidance of Marxist philosophy.

Adhering to the mass line also hinges on the all-round understanding and correct practice of "coming from the masses and going to the masses." All too often we take it as deriving from the masses the actual conditions and the methods of solving problems, which develop into general work principles and policies after abstraction, processing, and generalization by the leadership, and which are brought back to the masses for implementation. There is no mistake in this kind of understanding in itself, but to really achieve this, not only the conditions and methods but also leaders' standpoints, sentiments, and attitudes should come from the masses. In a certain sense, even the leaders themselves should come from the masses, that is, the birth and growth of leading cadres should have a profound mass base, so that they will acquire understanding, trust, and support of the masses. Only cadres of this type will be able to form the world outlook and methodology of doing everything for the masses and relying on the masses in everything, "go through thick and thin, be equal in labor and rest, share joys and sorrows, and endure the same dangers and difficulties" with the masses, and truly maintaining the flesh-and-blood relationship with them. That is the very reason why Comrade Mao Zedong emphasized all along that keeping ties with the masses is not only a question of work methodology and work style, but also a question of world outlook.

Adhering to "coming from the masses and going to the masses" is not only a demand for leading cadres individually, but also a demand for the party and for organs and organizations at all levels. Therefore, leading cadres should set strict demands not only on themselves, but also on those personnel and subordinates working around them. There are often such conditions: Leaders themselves abound in the desire of keeping close ties with the masses, but some personnel and subordinates working around them lack the consciousness and the sense of urgency of doing so and have the tendency of deviating from the masses, thus creating an invisible "wall" between the leaders and the masses. The result is

that the true conditions and voice of the masses cannot reach the higher levels or have been processed and changed in such a way that they have changed their shapes, tastes, and even distorted their outlook beyond recognition. Even if the leaders go down to the masses, they have many attendants crowding around, which makes it difficult for them to get in touch with the masses and understand their real situation. To prevent or break this "wall," it is necessary to rely not only on administrative measures and organizational means, but also on leaders' exemplary deeds, particularly their own sense of justice, uprightness, and selflessness. Besides, it is necessary to exercise patient, meticulous ideological education among the comrades around them. Apparently, this is also a task that should not be ignored by leading cadres in transforming their world outlook and methodology.

Economic & Agricultural

Li Guixian Conducts Inspection Tour in Shandong

Observes City Work

SK1310075590 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 10 Oct 90

[Text] Li Guixian, councillor of the State Council and governor of People's Bank of China, who is attending the national conference on the management of credit funds in the peak period in the city of Weihai, accompanied by Zhao Zhihao, governor of the province, and Li Taiqi, secretary of the Weihai city party committee, went to the city of Rongcheng on 8 October to observe and study the work done by the city.

During his fact-finding tour in the city, Li Guixian visited the inshore fishing company, the largest fishing corporation in the country, and some plants and enterprises and heard the work reports given by the plant directors and enterprise managers. After hearing the reports, Li Guixian stated that we should not engage over and over again in the work of developing the economy, conduct the economic work through to the end as soon as we have fixed the target, and should achieve rapid growth in some sectors as long as their conditions are met. Jiaodong peninsula whose economic conditions are very good should achieve faster growth in the economy but should pay attention to maintaining stability while achieving rapid growth so as to prevent suffering from an excessive rise and fall. In citing the issue of credit funds, Li Guixian stated that the flow of the funds is very important and that efforts should be made to vigorously enhance the building of markets through the work of extensively bearing interest, to further enrich the markets, and to adopt every possible way and means to draw the idle social funds and the money of individuals so as to concentrated spend them on the development of production.

During his fact-finding tour in the city, Li Guixian stated that efforts should be made to seize the currently favorable opportunity of screening the debt chain across the country to do a good job in grasping the work of clearing up debts by adopting measures in the fields of administration, the economy, and law.

Examines Banking Affairs

SK1510091590 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 13 Oct 90

[Text] Li Guixian, councillor of the State Council and governor of the People's Bank of China, recently made an inspection tour in Weifang City. During his tour, he told the city that the work of enhancing leadership over the banking affairs is very important and should be regarded as a major task. He stated that under the central authorities' leadership over banks in the past, it was inevitable for us to encounter problems because the higher authorities were unable to cover all managerial work, the local party committees found it difficult to take over the management, and the system and management were not strictly enforced or conducted due to the scattered grassroots-level bank offices and the large number of newly-employed personnel. The work committee formed by the Weifang city party committee and regarded by the city as an agency in charge of banking affairs will do a good job not only in conducting ideological and political work among the banks, but also in managing or directing various banking offices and other financial organizations. Such a work committee can enhance the party's leadership over the banking work, the ideological and political work, and the functionary role of central banks. Such an experience is worthy of earnestly being summarized.

During his tour, Li Guixian stated that without participating in economic work, banks will lose their direction and that only by participating in the major or important policy decisions of enterprises, in the process of their production, and in their business and management can they ensure the rational use of funds, the on-date withdrawal of loans, and the authenticity of forms for reporting statistics and of those of cost accounting.

New SCRE Minister Interviewed on Reform

OW14101/0590 Beijing XINHUA in English
1549 GMT 14 Oct 90

[Text] Beijing, October 14 (XINHUA)—China will deepen its economic reforms while maintaining the stability and continuity of the basic policies governing economic reforms in urban and rural areas in an effort to push forward a sustained, steady and coordinated development of the national economy, said Chen Jinhua, newly-appointed minister in charge of the State Commission for Restructuring Economy (SCRE).

Chen took up the post last month at the proposal of Premier Li Peng.

In a recent interview with the magazine of "CHINA'S ECONOMIC STRUCTURE REFORM", Chen said his commission will concentrate its efforts on drawing up a plan for restructuring the economy during China's Eighth Five-Year Plan period (1991-95) and a 10-year blueprint. The aim of the two plans is to build a mechanism that will combine a planned socialist commodity economy with market regulation.

To adhere to the planned economy is the general orientation for China and the Chinese Government will never waver in this regard, Chen said.

However, he added, it is impossible to have everything under government plans in China with so vast a territory.

The quintessence of China's economic reform is to establish an operational economic mechanism that combines the planned economy with market regulation. It tallies with the socialist orientation and China's actual conditions. This is the guiding principle for production, circulation, distribution as well as consumption, the minister said.

However, the integration of the two should vary in different economic elements, activities and periods in terms of degree, scope and form, Chen said.

Referring to reform in industrial enterprises, Chen said, it is necessary to continue to implement and perfect the various forms of the responsibility contract systems, which have played an important role in arousing the initiatives of both workers and enterprises in the past few years.

However, Chen added, there is not yet an effective mechanism to ensure the enterprises assume full responsibility for their profits and losses and undertake self-transformation and development.

Inter-trade economic cooperation, merging and formation of enterprise groups should be encouraged in the future in a bid to increase enterprise vitality and competitiveness at the international market, Chen said.

On the development of a market system in China, Chen said, the development of a socialist commodity economy requires the establishment of a perfect market system. Priority will be given to the development of multi economic factors, multi managerial forms and multi channels in the commodity circulation setup, Chen said.

An effective and controllable market system, which includes means of production, industrial consumer goods and agricultural and sideline products, will be built. Chen also called for efforts to build technology, information, labor, real estate and capital markets.

On building up a complete, general regulatory system in the country, the minister said his commission is working on it in coordinating with relevant government departments. The state will try to coordinate efforts of the

departments of taxation, finance, planning and investment and pricing to serve the general goal of combining planned economy with market regulation in a better way.

Chen, 61, a native of Qingyang County in Anhui Province, joined the Communist Party of China (CPC) in 1949. Before he assumed the post, he served as vice mayor of Shanghai, party secretary of the Shanghai Baoshan Iron and Steel Complex, general manager and party secretary of the China Petrochemical Corporation.

Minister, Economist View Economic Development

HK1510021390 Hong Kong SOUTH CHINA
MORNING POST in English 15 Oct 90 p 10

[By Chris Yeung]

[Text] The new head of a think-tank on the economy says China's insistence on a socialist planned economy can in no way be changed, but maintains adjustments through market forces are also indispensable.

Succeeding Premier, Mr Li Peng, as Minister of the State Commission for Restructuring Economy (SCRE) under the State Council last month, Mr Chen Jinhua said the commission was studying the development of an economic system that combined state planning and market-oriented adjustments.

The 61-year-old former oil executive revealed his thoughts on the future direction of economic development in an interview with a journal on economic restructuring.

Mr Chen said the SCRE was studying the development of macro-economic mechanisms including finance and taxation, monetary and planned investments and price systems to enable better co-ordination in the functioning of the overall economy.

He underlined the needs of the developing market system, especially the commodity market, which was a must in the development of a socialist commodity economy.

These included the continued development of different economic elements, operation systems and channels for circulation of commodities in the market, Mr Chen said.

On reforming enterprises, he said continued efforts had to be made to improve the ability of enterprises operating under the contract responsibility system to make profits and seek improvement, development and supervision on their own.

Meanwhile, a leading economist, Mr Xue Muqiao, has pushed for price reform and spoken against unlimited government subsidies to enterprises aimed at maintaining social stability.

Mr Xue is honorary director-general of the Economic, Technological and Social Development Research Centre under the State Council.

He said the time was ripe to establish reforms to move towards a planned commodity economy, now that the supply and demand of commodities were balanced.

"Fundamentally speaking, it is to lift the curbs on prices while controlling money supply step by step, so that enterprises can compete on an equal basis.

"The rule is that the fittest should survive. The old road of unified prices can no longer work. We cannot always use financial subsidies in exchange for social stability," the ECONOMIC REPORTER, issued today, quoted Mr Xue as saying.

The weekly magazine said Mr Xue's call had met with support from other economists.

Mr Xue said China was now at a turning point and that there was little time for recuperation.

"We have to stick to the open door and reform policy adopted in 1979 to resolutely push ahead reform to achieve prosperity and stability.

"We cannot use expediency to replace long-term solutions. The opportunity for development and reform should not be missed," he said.

Mr Xue quoted the conclusion reached at the third plenary session of the 12th party central committee, which underlined that price reform was crucial to the success of the reform of the overall economic structure.

"If the price system cannot be solved, the whole economy cannot operate smoothly and the whole reform cannot proceed comprehensively," he said.

Closely associated with the ousted party general secretary, Mr Zhao Ziyang, price reform remains one of the most sensitive aspects of the current debate between conservatives and reformists over economic development strategy in the next five to 10 years.

In another development, the Shenzhen Special Economic Zone (SEZ) is to further develop the stock system in its economic reform programme next year.

The SEZ will privatise in phases some state-run industrial enterprises which are more efficient.

Some might also be allowed to set up overseas branches.

Symposium on Socialist Economic Reform Opens

OW1410224390 Beijing XINHUA Domestic Service
in Chinese 1157 GMT 10 Oct 90

[By reporter Zhao Wei (6392 5398)]

[Text] Beijing, 10 Oct (XINHUA)—A symposium on socialist economic reform theory opened in Beijing today. Armed with the fruits of their respective research, several dozen well-known experts and scholars from across the nation attended the meeting and presented their views on ways to deepen reform along with other issues.

Speaking at the opening ceremony, Chen Jinhua, minister in charge of the State Commission for Restructuring the Economy, said: Based on the strategic design of the party Central Committee and Comrade Deng Xiaoping, China's success in reform and opening to the outside world has attracted world attention. Now, deepening reform has reached a level where theoretical guidance is desperately needed. It is also time to sum up the practice of reform for the last decade and more. He pointed out that the main challenges facing economic theorists and the vast number of practical workers are to chart properly the socialist orientation for reform and to establish an operating mechanism combining planned guidance with market regulation. He expressed the hope that the experts and scholars will speak freely and contribute their wisdom and proposals to accomplishing this great project.

The meeting was sponsored jointly by the Comprehensive Development Research Academy and GAIGE [reform] magazine with Ma Hong, a renowned economist, chairing today's session. Ma said that, after two years of the economic improvement and rectification drive, the economic situation is improving. Many deep-seated problems have yet to be gradually straightened out, however, by deepening reform. Therefore, it is necessary to explore profoundly certain basic theoretical problems, particularly problems involving planning and the market force under the socialist system, guided by the principle of "letting a hundred flowers blossom and a hundred schools of thought contend." To this, economic theorists have an unshirkable duty.

It is learned that this theoretical symposium will focus its discussion on the following questions: the orientation of the reform of the socialist economic system; the concrete combination of a planned economy with market regulation, with their respective advantages highlighted; the reform of socialist state-owned enterprises and the question of revitalizing these enterprises, developing their self-control, and enhancing their economic efficiency; and the reform and perfection of the macroscopic control system and ways to promote effectively opening to the outside world in keeping with changes in international situation.

Also present at this theoretical symposium were responsible persons of some economic restructuring departments at local levels and large and medium-sized enterprises.

Speakers at today's sessions included economists Xue Muqiao, Li Yining, Xu Yi, Wu Jinglian, and Gao Shangquan.

Seminar Concludes

OW1510132390 Beijing XINHUA Domestic Service
in Chinese 1324 GMT 14 Oct 90

[By reporter Zhao Wei (6392 5898) from "Local Broadcast News Service"]

[Text] Beijing, 14 Oct (XINHUA)—At a seminar on socialist economic reform, which ended here yesterday, a consensus was reached among more than 100 personages from economic and theoretical circles that the only step toward a fundamental improvement in China's economic situation lies in continuing to deepen the reform.

The four-day seminar was the highest-level discussion by economic experts since entered the 1990's.

Attending and speaking at the meeting were Chen Jinhua, minister in charge of the State Commission for Restructuring the Economy; Ma Hong, director of the State Council Economic, Technological and Social Development Research Center; and Gao Shangquan, vice minister of the State Commission for Restructuring Economy. At the meeting, China's noted economists, including Xue Muqiao, Wu Jinglian, Dong Puren, Xu Yi, Li Yining, Jiang Yiwei, Lin Zili, Wang Jue, and Ji Chongwei expressed their opinions on many important problems. The experts and scholars at the meeting were primarily concerned about the integration of the planned economy and market regulation. They maintained that the key to economic reform and development in China lies in solving this problem both in theory and in practice as soon as possible. They also engaged in an extensive discussion on important problems with regard to the present reforms, including the macroeconomic management system, rural reform, enterprise reform, the system of property rights, and the further improvement of opening to the outside world.

At the closing ceremony, Ma Hong said: It was absolutely necessary that we paid particular attention to improving the economic environment and rectifying the economic reform in the previous period. At present, the economic situation in China has improved. He stressed: The principle of "one center and two basic points" will not be changed. We should persistently continue to deepen the reform.

No Big Price Hikes Expected in Next Few Months

OW1210025990 Beijing XINHUA Domestic Service
in Chinese 0214 GMT 9 Oct 90

[By correspondent Niu Wenkui (3662 2429 7608) and reporter Fu Gang (0265 0474)]

[Text] Beijing, 9 Oct (XINHUA)—Recently, we have learned from the State Administration of Commodity Prices that our country's retail price index has not risen much so far this year. In addition, no big changes in market prices are expected in the next few months, said a responsible person of the above administration after analyzing the situation.

This responsible person said: Since our country's policy of retrenched expenditure and credit will remain unchanged, the scale of credit loans and capital construction nationwide will continue to be under control. This will not lead to any big rise in commodity prices. In future, the state will fully consider the people's capacity

to withstand the impact of price hikes and strictly control the raising of commodity prices. Besides, this year's bumper harvest will have a great, positive effect on the stabilization of market prices.

According to information provided by the State Statistical Bureau, our country's market prices have continued to be relatively stable just as last year. Compared with last year's corresponding periods, the average rise in retail prices nationwide was 3 percent for the first half of this year and 0.7 and 0.4 percent respectively for July and August. In 35 big and medium cities, the average retail price rise was only 2.3 percent for the first half of this year and 1.1 percent for both July and August. Thanks to the attention paid by governments at all levels to production and supply to fill the people's "rice bags" and "vegetable baskets," the prices of food items have been further stabilized. During the first half of this year, their average retail prices nationwide rose only 0.9 percent, while the retail prices of fresh vegetables dropped 2.9 percent, fresh fruits dropped 3.8 percent, and pork dropped 2.6 percent. The prices of daily consumer goods have been relatively stable. As for large durable consumer goods, the retail prices have been generally stable while some degree of drop has appeared in the prices of certain items.

Based on the State Council's plan, the governments at all levels and the departments concerned will continue to take measures in the next few months to stabilize the prices of daily needs and ensure the supply of vegetables and other nonstaple food to meet the urban residents' requirements. Regarding those commodities which are closely related to the daily life of the masses and whose prices have been decontrolled, efforts will be made to properly guide their prices. This can be achieved by controlling the gap between supply and sales by announcing a ceiling price for each commodity. As for the fees charged by some service trades, the rates should be decided through internal consultation, but it is necessary to ban the discriminate collection of fees. Meanwhile, the price inspection departments at various levels will further strengthen their supervision and inspection of all market prices.

According to the State Administration of Commodity Prices, while our country is developing the planned commodity economy, some commodity prices may float within certain limits with the change of production costs and the situation of supply versus demand. Besides, the prices of some seasonal commodities may vary as the season changes. Both of these are normal.

Bank Supports Construction of Basic Industries

OW1210184590 Beijing XINHUA in English
1527 GMT 12 Oct 90

[Text] Beijing, October 12 (XINHUA)—The People's Construction Bank of China (PCBC) has provided financial support this year to about 100 large construction projects in the energy, transportation, and communication industries.

Investment in these major state projects, which total over 18 billion yuan, has been decided in line with the state's industrial policy of emphasizing the development of basic industries, according to bank officials.

The PCBC, one of China's banking giants, specializes in the field of capital construction.

Among the over one hundred projects financed by the bank, the 375 kilometer expressway from Shenyang to Dalian in northeast China has been completed. In addition, a 300,000-line telephone exchange network will begin operation in Guangzhou, Shanghai and Tianjin by the end this year.

Bank officials say that about 70 percent of the PCBC's funds each year go into the energy, transportation and communication industries.

During the past four years, the bank has invested 88.6 billion yuan in 104 major energy projects, and 25 billion yuan in 60 major transportation and communication projects.

NONGMIN RIBAO Discusses Rural Reform

HK1110082390 Beijing NONGMIN RIBAO in Chinese 14 Sep 90 pp 1, 3

[Article by NONGMIN RIBAO Editorial Department: "Establish and Develop a Socialized Service System—The Key Link to Perfecting the System of Contracted Responsibility With Payment Linked to Output, and Deepening Rural Reform"]

[Text] Following the implementation of the system of contracted responsibility based on household with payment linked to output in China's rural areas, opinions on how to further deepen reform varied some time ago, and no decision could be reached. Following the fluctuations in grain, cotton, and other farm produce, the question especially aroused attention and consideration. Some people even questioned the system of contracted responsibility based on household with payment linked to output. Through research, exploration, and practice over the years, most of the people have reached a common understanding of an important aspect, that is, the establishment and development of a socialized service system and perfection of the system of contracted responsibility based on household with payment linked to output, constitute the key link to the deepening of rural reform.

I.

In April of this year, Premier Li Peng clearly pointed out to Chinese and foreign reporters that the system of contracted responsibility based on household with payment linked to output is not enough in China's rural areas. To seek further development, it is necessary to establish various forms of a pre- and post-production service system. This is tantamount to the deepening of rural reform. At a rural work forum held recently, Comrade Song Ping made the following instruction on the gradual establishment of a socialized service system:

As an important measure for building a socialist new countryside with Chinese characteristics, it should be regarded as one of the party's fundamental tasks in the rural areas, and be fulfilled unswervingly.

The actual meaning of the system of contracted responsibility based on household with payment linked to output includes household operation and unified operation based on services. Household operation is important, but unified operation is also indispensable. We all know that everything is divided into two. It is true that household operation has its strong points: It can adopt suitable measures to meet the characteristics and requirements of farm crops, changing climate, and long production cycle; and it can arouse the enthusiasm of the peasants by directly linking work of a laborer with his pay. Household operation, however, also has its limitations in the connection between production and circulation, in applying advanced science and technology, in withstanding serious natural disasters, and in expanded reproduction and accumulation. It is conditioned by its weaknesses in this regard. To make the most of the strong points and overcome the limitations, social service is a feasible measure. In this sense, social service has a bearing on whether the functions of household operation can be brought into full play. Some comrades set socialized service against household operation, believing that household operation no longer has potential. They hold that household operation should be replaced by collective operation to develop socialized service. Most probably, this should be open to question.

Practice in a number of localities shows that even under the circumstances in which other conditions are not improved, there will be great vitality for agricultural production so long as socialized service is strengthened. Anhui's Chuxian, hometown of the contract system, increased grain output for 11 successive years. Output of 1989 commodity grain increased by several hundred million jin over the total output of the previous 10 years. The key to their success lay in concentrating efforts to establish a series of service networks at various levels and setting up farm-economy, farm-technology, and farm-machine service companies throughout the county. Like other parts of the country, Heilongjiang's Zhaodong city implemented the contracted responsibility system based on household with payment linked to output. Thanks to a good job done in socialized service in recent years, all the 326 villages of Zhaodong city could offer tractor-plowing, irrigation, chemical fertilizer, fine seeds, and pesticides which were beyond the capacity of a single household. Because of better services and other factors, grain output of the city redoubled in only four years. It is noteworthy that the city redoubled its grain output at a time when the country's grain production fluctuated and there was hearsay in society that the system of contracted responsibility based on household no longer had any vitality.

Only by having the whole world in view can we acquire a deeper understanding of the importance of socialized service. Apart from the large farms, agriculture of the

developed countries is generally based on the basic form of household operation. Moreover, household operation is generally linked to developed social service. According to a 1982 general survey of the United States, the country had a total of 2.24 million farms, of which 1.991 million were household farms, accounting for 89 percent of the total, and the cultivated land accounting for 81 percent. Although Japan realized farm mechanization in the mid 1970's, over 90 percent of its agriculture was carried out within the scope of 1.5 hectares by household farms without hired workers. The agricultural structure of the EEC member nations was also more or less the same. Although a number of people predicted some years ago in light of the law of the jungle of capitalist society, that "the time for household farms to withdraw from the stage has come," the farms have continued to display their vitality instead of withdrawing from the stage. We can easily discover the important reason through a little study: It is developed socialized service that resolved the insufficiency in material and technological strength arising from small scale operation. In almost all these countries, the amount of labor engaged directly in agricultural production is far lower than that engaged directly in agricultural services. Take the United States for example, the latter account for around 30 percent of the total labor force, while the former account for only around 9 percent. Naturally, we cannot mechanically copy their experience as our social system is fundamentally different from that of the capitalist countries. Nevertheless, we can take for reference the road of socialized services.

II.

Whenever service is mentioned, some comrades take it as doing some practical things for the peasants. It is indeed necessary to do practical things, but the content and influence of socialized services are more extensive and profound than "doing some practical things." It involves development of agricultural productive forces, the trend of rural economic structural reform, and perfection of the superstructure in the countryside.

Regarding government work, developing socialized services can be rendered as doing practical things. Regarding economic behavior, it should be rendered as an important measure for specialization and socialization of agriculture rather than doing practical things in general. It is quite obvious that the rural economy is quietly undergoing a new combination and decomposition behind such behavior. On the one hand, it refers to the combination of production factors. In the service network at the county, township, village, and rural household associations levels, the combination of technology, capital, labor, and other means of production of the state, collective, and individuals will turn the latent productive forces into real productive forces. On the other hand, it refers to decomposition of the production process. It decomposes the functions of production process which include pre- and post-production links originally concentrated in a rural household. It is this combination and decomposition that has smashed the

secluded structure of the rural, self-sufficient economy. It turns household operation of peasants into a link of the entire social production, bringing it into line with the cooperation system of socialized production, promoting the process of specialization and socialization of agricultural production, and laying favorable conditions for developing rural commodity production, and spreading advanced science and technology.

Why do we say that the development of socialized services involves the trend of rural economic structural reform? This can be explained from the internal and external aspects of agriculture: First, establish a double-layer operation structure within agriculture so that small scale household operation can be combined with large-scale socialized service and results of scale operation can be achieved. Regarding agricultural operation of scale, it was usually limited to the amount of land cultivated by a unit and to concentration of human and material resources in a work place. In fact, this constitutes only one form rather than the whole. There is also another form, that is, the level of specialization and socialization, and the scale of combination of various production factors except land. As non-agricultural trades are underdeveloped in most of the rural areas in China, except for a small number of economically developed regions, the peasants still have misgivings about getting separated from land which they depend on for social insurance, and both the subjective and objective conditions for land operation of a scale are not yet mature. However, the peasants are willing to accept services because social services can meet their requirements for developing production and also do not affect the sensitive question of their rights in production and operation. In this regard, there is no question of psychological or social turbulence as the peasants need social services which they cannot obtain. Second, socialized services offered outside agriculture have erected a bridge by economic means between small production and a big market, and between the economic activities of millions upon millions of peasant households and state planning. The state can provide the information about what it needs and the quantity required through socialized service, and embody the encouragement or restrictive policy guidance in capital, technological, and material support in light of state planning and market demand, exert influence on the policies concerning peasants' production and operation, reduce blindness unfavorable to state planning, and limit the risks brought by market fluctuations to the peasants.

In a word, the two interrelative aspects should be dealt with to develop socialized service and establish and develop a socialized service system: First, stabilize and perfect the double-layer structure which integrates scattered household operation with unified collective operation; and second, vigorously develop various forms of service organizations based on peasant cooperation, enhance the functions of relevant state departments serving agricultural production and the rural economy, and gradually establish a criss-cross, mutually cooperative socialized service system.

We cannot regard the development of socialized services merely as an economic behavior as it is also related to perfection of the rural superstructure. The most obvious thing is that it is conducive to the building of the grass-roots level organizations and to effecting a change in cadres' work style.

According to statistics, some 20 percent of China's village level organizations cannot effectively give full play to their role. To put an end to such a state of affairs, the key lies in readjusting the leading body and building a good party branch politically and gripping the link of socialized service economically. Practice has proved that the places where a good job is done in socialized service are the places where the grass roots organizations are relatively good and in places where there is little or no service the grass roots organizations cannot give full play to their role.

Numerous findings have proved that most of the conflicts between cadres and the masses are evoked by the "demand for money and grain," except for few of them which involve some cadres abusing power for personal gain, violation of law and discipline, and others of a personal character. Some of the demands for money and grain are reasonable while some are unreasonable. The conflicts are related to the urban-inclined system, to some departments pursuing unjust interests, and to a small number of peasants who cannot correctly handle the relations between the state, collective, and individuals. As the factors are complicated, we cannot simply blame the cadres at the grass roots levels without making any investigation. However, there is one point which should be clear on, that is, the cadres should transfer their energy from "demand for money and grain" to improvement in their work style. As the saying goes, "give in order to take." We cannot reverse the order of "give" and "take," still less take but give nothing at all. Some cadres are indifferent toward the difficulties of peasants at ordinary times, but go to see the peasants when it is time to ask for money and grain. Naturally, this will evoke the discontent of the peasants. Conversely, if we can do a good job of socialized service and do our best to help the peasants overcome their difficulties, there will be no reason whatsoever for the peasants not to support us. There is a village cadre in Liaoning who was first "blamed by everyone," but later "praised by the masses." When people asked him to pass on his experience from being "blamed" to being "praised," his reply was: Service. This answer derives from his personal experience. It has gripped the crucial point of transforming the work style of rural cadres and improving the relations between cadres and the masses. If the efforts of all our rural cadres are focused on this direction, we will certainly be able to create a new situation in the fish-and-water relations between cadres and the masses.

III.

Many localities now have an ideological understanding and have attached importance to the establishment of a socialized service system and also gained some good experience in practice:

—Because of different levels of productive forces, economic strength, and natural conditions of various localities, a socialized service system should be established and developed in line with local conditions and by proceeding from practice rather than imposing uniformity, going headlong into mass action, or repeating the mistake of equalitarianism and indiscriminate transfer of resources. In places where the economic foundation is weak, we should, in light of the peasants' needs, start from single item services which can play a great role in developing production and then develop various services gradually. We should offer services from pre- and post-farm production gradually to comprehensive services in production, science and technology, and circulation.

—It is necessary to arouse the initiative of the state, collective, and the peasants to establish a socialized service network at various levels. Undoubtedly, the village cooperative economic organizations (including the collective economic sector) occupy a very important position in socialized services. However, the collective economic sector alone does not constitute the whole of the socialized service network. There are also the sectors of the state and the peasants. The departments of commerce, supply and marketing, transportation, banking, and science and technology, and various forms of associations, societies, service centers, and purchase and marketing organizations set up by the peasants should also be included into this network. Consequently, the network formed with the backing of the state service departments, with the collective economic sector as the main body, and with the non-governmental service as subsidiary can take shape quickly and cover a wide range of subjects. Moreover, it can immediately meet various demands of the peasants. To establish and develop such a socialized service system, it is necessary to uphold the principle of diverse economic sectors with the predominance of the public economic sector. Apart from vigorously developing the collective economic sector, it is necessary to encourage the healthy development of the individual economic sector, protect the legal operation of the private economic sector, give full play to its positive role, and restrict its negative role.

—While offering services to the peasants, it is necessary to take note of sticking to the principles of voluntary participation, low interest, and convenience. We cannot force the peasants to accept our services, or be tainted with bureaucracy, and thus be inconvenient to the peasants, still less encroach upon the interests of the peasants under the excuse of offering services, which turn good things into bad ones. In light of the law of value and the principle of exchange at equal value, some departments and units have effected a change from an administrative type to an economic one. This is correct and they should be paid for their services. However, the amount should be appropriate. We should take into account the peasants' bearing capacity and never forget the major goal of "service."

The departments of the cities in Shandong proposed the following slogan in their services "We develop along with agriculture and share its prosperity," linking their work to the rural economy. They served agriculture as well as maintained their own development. Their experience is worth assimilating.

- The establishment of a socialized service system is a comprehensive measure for deepening rural reform which should be implemented in coordination with various rural work, the building at the grass roots levels in particular. "Doing organizational building at the village level with the party branch as the core, doing democratic building based on autonomy by the villagers, and doing the building of socialized service with the backing of the collective economy well", is the fine experience of Shandong's Laixi county in doing village level organizational building and deepening rural reform well. The relevant departments of the CPC Central Committee and State Council recently held a conference in Laixi county to spread their experience.

With the development of the situation, we believe that all localities will create more and better experience, and score gratifying achievements.

Township, Town Enterprises Development Outlined

HK1110123490 Beijing RENMIN RIBAO in Chinese
3 Oct 90 p 7

[Article by the State Council Research Office Rural Economy Group and the Chinese Academy of Social Sciences Rural Development Research Institute: "Township and Town Enterprises: An Irreplaceable Motive Force in Developing the National Economy"]

[Text] [Editor's note] Researchers from units such as the State Council Research Office Rural Economy Group and the Chinese Academy of Social Sciences Rural Development Research Institute have organized a topic group and spent a year responding to the demand for coordinated development of township and town enterprises on the one hand and the national economy on the other, carrying out systematic analysis and research on relevant problems, and compiling a 190,000-character research report. This is a summary of parts of the research report. [End editor's note]

Since the reform, township and town enterprises have developed rapidly, but various quarters in society do not have the same view on township and town enterprises. Properly understanding and evaluating the relations between township and town enterprises on the one hand and the national economy on the other is of great significance to formulating effective policies and promoting the healthy development of township and town enterprises.

The Contributions Made by Township and Town Enterprises to Economic Development

The development of township and town enterprises has made irreplaceable contributions to promoting the growth of the national economy, as well as its structural change, and to enhancing agricultural production and social development.

- From 1980 to 1988, total social output value in the entire country increased 146 percent, among which township and town enterprises contributed 31.3 percent. In this period, township and town enterprises' output value rose from 7.7 percent to 26 percent of the total social output value.
- From 1980 to 1988, township and town industries' output value increased an average 31.4 percent annually, far surpassing the industrial growth rate throughout the country in the same period. In this period, township and town enterprises accounted for 42.7 percent of the industrial growth in the entire country.
- From 1978 to 1988, township and town enterprises increased the taxes they paid to the state 13.2 times, which on the average meant an annual 31.4 percent increase, far surpassing the 8.3 percent growth rate for the state's revenue in the same period. From 1978 to 1988, of the increase in the state's revenue, township and town enterprises contributed 21.63 percent. In particular, from 1985 to 1988, township and town enterprises contributed 50.87 percent of the state revenue's increase.
- From 1984 to 1988, township and town enterprises earned a total of \$25 billion through export. In the same period, township and town enterprises accounted for 24.7 percent of the country's increased export volume; in 1989, township and town enterprises earned more than \$10 billion through export, nearly one-fourth of the country's total.
- From 1978 to 1988, per capita peasant income increased from 133.57 yuan to 545 yuan, and township and town enterprises contributed 33.7 percent to that increase.
- From 1978 to 1988, township and town enterprises have absorbed a total of 67 million surplus rural laborers; each year, they handed over a huge amount of funds for "subsidizing agriculture with industry," rural construction, and developing social welfare and education in the rural areas.

Investigation Into Several Major Problems Arising From the Development of Township and Town Enterprises

- 1). Relations Between Township and Town Enterprises on the One Hand and Inflation on the Other.

The growth of township and town enterprises in recent years was indeed comparatively rapid, and the problem

of overheating existed; this was closely related to the imperfect macrolevel means for regulating and controlling the entire national economy. But township and town enterprises are not the main factor to the overheated economy and inflation, because: First, township and town enterprises are mainly labor-intensive industries, and their rapid development is based on absorbing a great number of laborers, not just on relying on the support of a large amount of funds. Second, over the years, the scale of credit for township and town enterprises occupied only eight or nine percent of the state's total bank loans; they were not the main factor in the scale of credit's expansion.

Township and town enterprises (mainly township and town industries) have a twofold impact on inflation. On the one hand, the rapid development of township and town industries has added fuel to the flames of inflation and the overheated economy; on the other hand, township and town enterprises have increased effective market supply, eased the structural conflict between supply and demand on the market, and, to some degree, played a role in checking inflation. The energy and raw materials used by township and town enterprises for production were mainly obtained through bargaining on the market; many township and town enterprises have also suffered from the overheated economy and the inflation and have had to reduce or stop production.

Therefore, rectification and improvement must resolutely suppress the excessively rapid development of township and town enterprises, and, at the same time, adopt effective measures to promote a healthy development of township and town enterprises.

2). Relations Between Township and Town Enterprises on the One Hand and Urban Industries on the Other.

Both major urban industries and township and town enterprises are important components of our country's industrialization development strategy, and both supplement and compete against each other, but supplementing is greater than competing.

For a long time our country's state-run enterprises carried out production according to plans, and a gap between production and market demand often existed. Township and town enterprises are market-oriented, making up the major urban industries' shortfalls in industrial and product structures, and upgrading the industrial system's ability for meeting market demand. In the past several years, along with economic and technological development, a trend of technological transformation and renewal of facilities, of industry shifting in a new direction, and of products spreading to a wider scope has occurred among state-run enterprises, and many township and town enterprises were developed precisely due to support from urban industries, forming a close cooperative relation with urban industries, and supplementing and promoting each other. An analysis from the viewpoint of industrial structure indicates that only some township and town enterprises have

competed with major industries for energy and raw materials, and their assets value accounted for less than 15 percent of the total assets value of township and town enterprises.

3) The Economic Efficiency of Township and Town Enterprises.

At present our country has a great number of surplus rural laborers. Due to the restraints of the rural areas' excessively low economic efficiency, the national economy's overall efficiency is hovering at the low level and is difficult to improve. Therefore, the shifting of the surplus agricultural labor force has become the only way available for improving rural economic efficiency and for further improving the national economy's overall efficiency.

From 1978 to 1988, township and town enterprises absorbed 6.72 million surplus rural laborers per year, on the average. In 1988, the labor force employed by township and town enterprises reached 95,454,600 people, 25.3 percent of the total rural labor force.

The development of township and town enterprises has successfully promoted the replacement of scarce capital with abundant labor. From 1980 to 1987, when each of our country's township and town enterprises increased 1.22 job positions and 2,300 yuan in fixed assets, output value could be increased 10,000 yuan; in the same period, within various kinds of state-run industrial enterprises, to increase a similar 10,000 yuan in output value, 10,800 yuan in fixed assets had to be spent, while only 0.25 jobs could be created. Compared with state-run enterprises, every 10,000 yuan in output value created by township and town industries was equivalent to using 0.97 laborers to substitute 8,500 yuan in fixed assets. Based on this calculation, from 1980 to 1988, township and town enterprises in the entire country increased output value 401.997 billion yuan, and provided 38.99 million jobs more than the state-run industrial enterprises provided, substituting 341.7 billion yuan in fixed assets, which equalled the net value of state-run industrial enterprises' fixed assets in 1985.

The return on energy use is an important area for evaluating the economic returns of township and town enterprises. Although quite a large proportion of the rural industrial structure is destined to be energy-consuming industries, due to the fact that within rural industries the proportion of labor-intensive industries is relatively high, thus the returns on rural industries' energy use is not low. For example, in 1987, on the average, industrial enterprises in the entire country used 49,000 tons (standard fuel) to produce each 100 million yuan in industrial output value, but rural industries used only 44,000 tons. In 1988, the output value produced by enterprises at village and township levels—two levels—accounted for 16.1 percent of the total social output value, while they consumed only 15.3 percent of the energy consumed by the entire country; their proportion

of output value was obviously higher than their proportion of energy consumption.

At China's present development stage, even if township and town enterprises have low economic returns, they still have a reason to exist and develop. When there is a huge number of surplus rural laborers, the first index for evaluating the advantages and disadvantages of township and town enterprises is employment, not economic returns.

Of course, we should also realize that because of poor material and technological equipment, low quality staff, and backward management, the economic returns and efficiency of township and town enterprises fall short of expectation, and there is still a great number of energy-consuming enterprises with poor efficiency. At the same time as they maintain their labor-intensive characteristics, they should vigorously carry out technological reform; speed up the application and promotion of science and technology; improve staff quality; upgrade operation and management standards; and resolutely stop, transform, and merge some energy-consuming enterprises with poor efficiency, continually improving their economic returns.

4) Relations Between Township and Town Enterprises on the One Hand and Agriculture on the Other.

The development of township and town enterprise has contributed to promoting the development of agricultural production and the agricultural modernization process. From 1978 to 1988, a period of 10 years, village and township enterprises alone have spent 16.28 billion yuan on subsidizing, building, and invigorating agriculture with industry. In addition, some portion of the income earned by peasants from township and town enterprises have been put into agricultural input, thus increasing the amount of agricultural funds. Some township and town enterprises have directly engaged in the production of means of production for agricultural use. In our big country with 1.1 billion people and a low income, agricultural modernization faces two difficult problems: Where does the money come from? Where do people go? With the traditional economic development strategy, these two difficult problems can never be solved. The development of township and town enterprises, with its better flexibility in providing employment and its contributions to the elements needed for agricultural growth, hands out hope for solving these two difficult problems.

In fact, the development of township and town enterprises has a comparatively big link to agricultural growth. According to the per capita output value of township and town enterprise among the agricultural population in 1988, the whole country can be roughly divided into three regions: a region with developed township and town enterprises; a region with underdeveloped township and town enterprises; and a region with moderately developed township and town enterprises. In the region with developed township and town

enterprises, conditions for agricultural production improved at a quicker pace, and the level of agricultural modernization was much higher. Take grain as an example, from 1984 to 1988, the grain output's hovering at a low level was mainly caused by the per unit area grain yield hovering at a low level. In 1984, per mu grain output was 241 kg; in 1988, 238.5 kg. But the grain output's hovering at a low level or the grain output decrease was not caused by excessively rapid development of township and town enterprises. On the contrary, the level of development of township and town enterprise was apparently linked to the increase in per mu grain output. When 1988 is compared with 1984, in the region with developed township and town enterprises, per mu grain output increased by two kg; in the region with underdeveloped township and town enterprises, per mu grain output decreased by 4.35 kg; in the region with moderately developed township and town enterprises, per mu grain output decreased by 2.8 kg.

Of course, some localities have blindly pursued rapid development of township and town enterprises, and caused an overall shortage in production elements such as funds and labor force. We must adopt effective measures to keep the overly rapid development of township and town enterprises down to a suitable level, so as to ensure a coordinated development of township and town enterprises on the one hand and agriculture on the other.

Wealthy Peasants Begin To Invest Earnings

OW1210182790 Beijing XINHUA in English
1255 GMT 12 Oct 90

[Text] Shenyang, October 12 (XINHUA)—Peasants in the northern part of China who have learned to make money in the course of the past ten years or so of economic reform, have now started to invest their money instead of merely saving it in banks or just hiding it as they used to do.

Zhang Chaoping, 38, a peasant who lives in Xiangtang township on the outskirts of Haicheng city in Liaoning Province, northeast China, made a lot of money as a private wholesale dealer. This year he invested 650,000 yuan (140,000 U.S. dollars), together with his friend, Liu Zhengliang, in the construction of the Haicheng Xinxing Fabric Dyeing Mill. Zhang himself is now the director of the mill.

With 80 workers, the mill went into production in August. Its output value has surpassed 200,000 yuan.

Zhang said that he was trying to legally make more profits from his money and to benefit his fellow-villagers through running the mill.

Wang Jiakui, another peasant who lives in the same township, set up a workshop for making safes six years ago and made big money. In 1987 he invested 100,000 yuan and converted his workshop into an expanded

collective-run safe factory, which has now 470,000 yuan-worth of fixed assets and produces 3,000 safes annually.

As the director of the factory, Wang said proudly that he is now no longer an individual who makes money only for himself.

Zou Baogui, party secretary of Xiangtang township, told XINHUA that the 25,000 peasants within the jurisdiction of his office have now at least 100 million yuan in disposable funds.

Fu Kecheng, secretary of the Haicheng city committee of the Communist Party of China, said that since the rural economic reform started in China in 1979, many peasants have become rich.

Government statistics show that there is now more than 1,000 billion yuan (about 210 billion U.S. dollars) in idle funds in the hands of the common people.

Secretary Fu explained that the government is responsible for encouraging those people who have got rich first to invest their money so as to make legal profits for themselves and provide more job opportunities for others.

Pudong Opening Promotes Provincial Cooperation

*OW1010222590 Beijing XINHUA in English
1522 GMT 10 Oct 90*

[Text] Shanghai, October 10 (XINHUA)—The Chinese Government's decision to open Shanghai's Pudong area to the outside world has triggered increasing momentum in cooperation between Shanghai and other parts of China.

Provinces in the Yangtze River delta—the traditional partners of Shanghai—have adopted new measures to increase their ties.

Since June, Jiangsu Governor Chen Huanyou and Zhejiang Governor Shen Zulun have both led delegations to Shanghai and have signed economic cooperation agreements. They have decided to set up a number of cooperative enterprises, export-led businesses, international trade companies and material supply agencies in Pudong, while supporting the development of Pudong with manpower, materials and natural resources.

In addition, the two provinces have also expanded or established economic development zones in their own cities to attract overseas investment.

Since Shanghai is located at the mouth of the Yangtze River, the 10 provinces along the river are preparing to make good use of the "Golden Waterway" by cooperating with Shanghai and opening to the outside world.

Other provinces and autonomous regions also hope to strengthen economic ties with Shanghai during and after the development of Pudong. For instance, Shandong,

Heilongjiang and Jilin Provinces have recently sent delegations to negotiate economic cooperation pacts with Shanghai.

So far, 70 domestic delegations from provincial and city governments, and 500 groups from various enterprises have visited Shanghai and have negotiated investments in high-technology, petrochemicals, banking, construction, textiles and other industries.

At the same time, 4,000 businessmen from the United States, Germany, Britain, Switzerland, Japan, Thailand, South Korea, Hong Kong and Taiwan have visited Shanghai. As a result many of the businessmen have signed contracts establishing joint ventures or enterprises using 100 percent foreign funds.

Guangdong Delegation Observes Shandong Industry

*SK1210094690 Jinan Shandong Provincial Service
in Mandarin 2300-GMT 9 Oct 90*

[Text] Accompanied by Vice Governor Li Chunting and Jinan City Mayor Zhai Yongbo, the Guangdong provincial observation and visiting group to Shandong led by Lin Ruo, secretary of the Guangdong provincial party committee, observed Jinan City's industrial and agricultural production and visited some urban facilities on 9 October.

On that afternoon, the guests visited the Jinan No.1 machine tools plant, the village of (Xinhe), and the Yanzishan housing community. The improvements in the living standards of the people in the village of (Xinhe) and some facilities such as the international trading center and (Minhe) Hotel, which the people of (Xinhe) had built with their own efforts, left a deep impression on the guests.

Tian Jiyun Stresses Quality at Textile Meeting

*OW1610093490 Beijing XINHUA Domestic Service
in Chinese 1438 GMT 9 Oct 90*

[By Li Anding (2621 1344 1353)]

[Text] Beijing, 9 Oct (XINHUA)—Vice Premier Tian Jiyun said today: "Quality is not only an economic but also a political question. We should recognize the importance of this question in light of the concept of the masses, national awareness, and adherence to the reform and opening policy in a true sense."

Tian Jiyun made the above remarks this evening at a national telephone conference on the quality of textile products. Wu Wenying, minister of textile industry, spoke at the conference. Zou Jiahua, state councillor; Ye Qing, chairman of the State Council Production Committee; and Wang Shuming, deputy secretary general of the State Council, attended the conference.

Tian Jiyun said: Quality is an important question concerning the survival of an enterprise. The quality of a country's products is a major criterion for evaluating

that country's economic development level. To improve product quality continuously is a strategic task of socialist economic construction. Through more than four decades of development, China's textile industry has undergone penetrating changes. Textile products have increased in variety and improved in quality. China's textile industry must produce superior quality products in order to fulfill the requirement of becoming relatively well off, expanding the international market, and earning more foreign exchange by exporting textile products in the new historical era and throughout the 1990's. Judging from the domestic market, along with the continuous improvement of the people's livelihood, they have a higher demand for clothing. It is becoming increasingly difficult to sell unfashionable, outdated, and inferior quality clothing. The competition is even more fierce in the international market. Only high-quality commodities can continue to find markets and increase sales. At present, although China tops other countries in the quantity of textile exports, its foreign exchange earnings from clothing exports rank fifth in the world. Per-unit foreign exchange earnings are low and lag far behind the world's advanced level. The textile industries of some developing countries are advancing rapidly, posing a challenge as well as a test for China.

Tian Jiyun said: Improving product quality not only concerns the production department but also requires the joint effort of all sectors concerned. All departments and enterprises must continuously strive to improve the quality of Chinese products. Improvement of the quality of textile products involves the industry, agriculture, commerce, foreign trade, inspection, supervision, and communications departments. Therefore, it is necessary to coordinate the efforts of all sectors, supporting, coordinating, and closely cooperating with each other in guaranteeing product quality. Governments at all levels should vigorously support and show concern for the quality of textile products and help the industry solve problems.

National Conference on Land, Waterway Transport

*SK1310021590 Changchun Jilin Provincial Service
in Mandarin 2200 GMT 7 Oct 90*

[Text] The national conference to exchange experiences in improving and consolidating the land and waterway transport markets opened in Changchun on the morning of 7 October. Qian Yongchang, minister of communications, and Vice Governor Wang Yunkun, attended and addressed the conference.

The conference was presided over by Lin Zuyi, vice minister of communications. Minister Qian Yongchang noted: Leaders of the communications departments at all levels and the broad masses of cadres should clearly understand the current political and economic situations, successfully carry out all tasks in favor of improving and consolidating the transport market, particularly the ongoing transport business, and enable the improvement and consolidation work to be carried out

conscientiously and to yield substantial results. Minister Qian Yongchang also gave clear and definite instructions on four aspects of work, including further enhancing understanding of the transport market improvement and consolidation work, consolidating transport business, relying closely on the leadership and support of the governments at all levels and on the cooperation of departments concerned, and straightening out the unhealthy trends in various trades and strengthening the building of contingents.

In his speech, Vice Governor Wang Yunkun expressed that our province should act in line with the plans of the party Central Committee and the Ministry of Communications, continue to grasp the work of improving and consolidating the transport markets, gradually improve rules and regulations for the transport market, establish and perfect the transport management system and the market supervision system, and enable our province's communications and transport undertakings to have a new leap forward and development.

Top Agricultural Goods Producers Publicized

*OW1510083190 Beijing XINHUA Domestic Service
in Chinese 1311 GMT 14 Oct 90*

[Local Broadcast News Service]

[Text] Beijing, 14 Oct (XINHUA)—ZHONGGUO TONGUI XINXI BAO [China Statistical Information] asks: Of the country's 2,300 or so counties (including cities and districts), which of them are the biggest producers of grain, cotton, oil-bearing crops, and beef and mutton? Based on output, an agricultural survey group formed by the State Statistics Bureau recently prepared a list of 100 in each category. These productive counties have contributed significantly to revitalizing China's agricultural production and improving living conditions.

In the order of their 1989 grain output, the 10 most productive counties listed by the survey group were Gongzhuling City, Shuyu County, Lishu County, Tongshan County, Jianli County, Fuyu County, Pingdu City, the district under the Jingmen City's jurisdiction, and Suyang County [number of counties as received]. The grain output of each of these counties and cities exceeded 850,000 metric tons, and the output of Gongzhuling City reached 1.467 million metric tons. Of the 100 most productive grain-producing counties, Tanghe County in Henan enjoyed the fastest growth, reaching 39.5 percent. The total grain output of these 100 counties reached 68.979 million metric tons, one-sixth of the nation's total grain output.

In the order of their output, the 10 most productive cotton-producing counties were: Sheyang County, Dafeng County, Dongtai City, Linqing City, Lingxian County, Qihe County, Xingtai City, Fugou County, Guanxian County, and Xingxian County. The output of each of these counties or cities exceeded 34,000 metric tons each. The output of Sheyang County, the champion

of cotton production, reached 44,649 metric tons. Of the 100 major cotton-producing counties, Pengze County in Jiangxi enjoyed the fastest growth, 53 percent. The output of the 100 major cotton-producing counties was 2.048 million metric tons, or 54.1 percent of the nation's total output.

In the order of their output of oil-bearing crops, the 10 top counties were Pingdu City, Changling County, Laixi County, Junan County, Rizhao City, Rongcheng City, Jiaonan County, Donghai County, Jimo County, and Tongyu County. The output of each of these counties exceeded 67,000 metric tons, and the output of Pingdu City reached 122,000 metric tons. Suxian County in Anhui had the fastest growth, 63.7 percent, in the output of oil-bearing crops. The total output of oil-bearing crops of the top 100 counties reached 3.96 million metric tons, or over 30 percent of the nation's total.

In the order of their output of pork, beef, and mutton, the 10 most productive counties were Baxian, Hechuan, Jiangjin, Anyue, Renshou, Taixing, Changsha, Jianyang, Zhongjiang, and Luxian Counties. Their pork, beef, and mutton output all exceeded 57,000 metric tons each, and the output of the most productive, Baxian County, reached nearly 80,000 metric tons. Haikang County in Guangdong had the fastest growth in pork, beef, and mutton output. The total output of pork, beef, and mutton of the top 100 meat-producing counties reached 4.111 million tons, or 17.7 percent of the nation's total.

The latest edition of ZHONGGUO TONGJI XINXI BAO lists the names of the counties that were most productive in grain, cotton, oil-bearing crops, and meat.

Law To Boost Agricultural Technology Formulated

*OW1010222490 Beijing XINHUA in English
1456 GMT 10 Oct 90*

[Text] Shenyang, Oct 10 (XINHUA)—China is drafting a law on the popularization of agricultural technology in

an effort to boost the country's agricultural development by relying on achievements in science and technology.

The law will cover technology to be used in farming, animal husbandry, aquaculture, mechanization, agricultural management, energy utilization and environmental protection.

The law—the first of its kind in China—is a combination of foreign experience and Chinese practices, said Zou Pingqiang, a Ministry of Agriculture official.

Zou said the law will be submitted to the State Council and the National People's Congress for examination and approval before it's release. In addition, a draft of the law has been distributed to all provinces and autonomous regions soliciting their comments.

First Wholesale Grain Market Opens in Henan

*OW1210184990 Beijing XINHUA in English
1537 GMT 12 Oct 90*

[Text] Zhengzhou, October 12 (XINHUA)—The first wholesale grain market in China opened in this capital of central province of Henan today, and recorded trading amounting to 19,500 tons in the first few hours.

At present the market is restricted to wheat only, said Hu Ping, the minister of commerce. Wheat in stock dominates the market, but futures contracts are permitted. The aim is to transform the market into a futures market, the minister said.

Transaction amounts are still restricted within the range set by the Ministry of Commerce and the State Administration of Price Control, according to market officials. They added that the market will close automatically when prices exceed restriction.

The market is part of the experiment to rectify and reform China's grain circulation system, said the minister.

East Region

Shandong Expects Record Autumn Grain Crop

OW1410094990 Beijing XINHUA in English
0846 GMT 14 Oct 90

[Text] Jinan, October 14 (XINHUA)—Shandong, one of China's major grain-producing provinces, is expected to produce 17.9 million tons of grain from its autumn crop this year, an all-time high that is seven percent more than last year.

The province's per-hectare grain yield of the autumn crop is expected to amount to 4.575 tons, up 10 percent from last year's.

Earlier this year, Shandong also achieved an all-time record harvest of its summer crop.

Governments at all levels in the east China province have paid more attention to agriculture this year. The provincial planning committee alone allocated 1.5 billion yuan (320 million U.S. dollars) for capital construction in agriculture, which was 300 million yuan (64 million U.S. dollars) more than last year. Local governments also allocated 20 million U.S. dollars in foreign exchange to import quality fertilizers and pesticides for agriculture.

Meanwhile, 1.1 billion yuan (23 million U.S. dollars) has been invested in farmland improvement. About 255,000 water conservancy works have been completed.

Besides, a total of 34.74 million yuan (7.4 million U.S. dollars) has been allocated to popularizing scientific farming. Tens of thousands of scientists and technicians have gone to the countryside to guide the peasants in farming.

Jiang Chunyun Attends Opening of Sports Games

SK1310080190 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 10 Oct 90

[Text] The second sports meet of track and field events, which was sponsored by the organs under the provincial party committee, was held in the stadium of the provincial sports center from 9 to 10 October. Attending the opening ceremony of the sports meet were leading comrades from the provincial level organs, including Jiang Chunyun, Zhang Quanjing, Ma Zhongcai, Tan Fude, Wang Runzhai, Zhu Yongshun, Lu Hong, Xu Jianchun, Yan Qingqing, and Yu Peigao; and veteran comrades from the provincial level organs, including Zhao Lin, Gao Keting, and Wang Zhongyin.

Shanghai Guidelines on Control of Companies

OW1510095690 Shanghai City Service in Mandarin
1000 GMT 11 Oct 90

[Text] The Shanghai Municipal People's Government recently promulgated Some Guidelines on Further Strengthening the Management of Companies in

Shanghai in a bid to consolidate the result of company screening and rectification, prevent future confusion, control the examination and approval of incorporation of new companies, ensure proper day-to-day administration of these companies after incorporation, and promote their healthy development. The guidelines clearly pointed out that companies must be economic organizations which have independent holdings, enjoy autonomy in management, practice independent accounting, are responsible for their own profits and losses, assume independent responsibilities for civil liabilities, are incorporated according to law, and acquire the status of a legal person. Unless specially stipulated by the state, all companies are not allowed to perform governmental administrative functions. Party and government organs, mass organizations, and social associations are not permitted to form companies under any format. Party and government office cadres are not allowed to hold part-time jobs in companies or become their shareholders.

With regard to the examination and approval of the incorporation of a company, the guidelines of the municipal government stipulate that a company shall come under the charge of a government department which also acts as the examining and approving department of the company. Applications for the scope of operations that involves a certain business should be submitted to the company's supervisory department for approval, and also referred to the government departments in charge of the related business for examination and concurrence. Industrial and commercial administration organs at various levels, when issuing business licenses to qualified companies according to laws, should also issue certified documents for tax registration and opening of bank accounts.

Shanghai Cleans Up for National Sanitation Drive

OW1310193390 Shanghai WEN HUI BAO in Chinese
9 Oct 90 p 1

[By reporter Lu Yongfeng (4151 3057 6912)]

[Text] In response to the national urban sanitation campaign, Shanghai authorities have made vigorous efforts to raise the municipality's environmental sanitation standards. Nearly three months of efforts by various districts, counties, and departments have raised significantly the overall sanitation level of the city proper and improved environmental sanitation conditions.

Since the municipal party committee and the municipal government held a general mobilization meeting to "usher in three events" on 1 August, leaders at all levels have regarded the effort to improve environmental sanitation conditions as a major endeavor. Zhu Rongji, secretary of the municipal party committee and mayor, spearheaded physical labor activities aimed at improving environmental sanitation standards. He convened two meetings of district and county responsible persons to make relevant specific demands. Other leaders of the municipal party committee and the municipal government successively participated in physical

labor involved in improving environmental sanitation conditions, and inspected the way in which work was carried out in this connection. All districts, counties, neighborhoods, and departments enthusiastically organized people to clean up unsanitary "niches." The municipal People's Congress Standing Committee met twice to examine and reexamine the implementation of the "Regulations of Shanghai Municipality Governing Environmental Sanitation," effectively promoting efforts to fight unsanitary practices through legal means.

Thanks to joint efforts by people in all sectors of society, some chronic problems were resolved during the sanitation campaign. For instance, the renovation of public toilets in various parts of the municipality was stalled because of lack of funds in the past. During the campaign, the municipal finance bureau, the municipal construction commission, and the municipal environmental protection bureau earmarked several million yuan for the renovation of public toilets. In addition, over 15 million yuan was raised in various districts. Consequently, the renovation or construction of more than 200 old and new toilets was completed, and the remaining toilets were given a facelift. Repairs and maintenance of such sanitation installations as garbage dumps and garbage containers are still in full swing. The approximately 300,000 metric tons of garbage accumulated at the junction of the city proper and its suburbs over the past few years has been completely removed.

In addition to stressing the construction of related installations, municipal authorities have strengthened urban management with an emphasis on fighting unsanitary practices through legal means. Acting in accordance with the regulations on environmental sanitation, the majority of units responsible for roadside sanitation have discharged their obligations under the front door environmental sanitation responsibility system. Moreover, public health departments have beefed up street-cleaning crews and instituted two work shifts for street cleaners. The municipal government's circular banning the "six unsanitary practices" went into effect on 25 September. In the past few days, more than 40,000 people in Shanghai have taken to the streets each day to publicize the circular and help mete out punishment to offenders, if necessary. Consequently, cases of spitting and littering have decreased appreciably. With a tidy image, Shanghai is ready to usher in the national sanitation campaign.

Li Zemin, Shen Zulun at Commendation Meeting
OW1410170390 Hangzhou ZHEJIANG RIBAO
in Chinese 6 Oct 90 p 1

[Excerpts] Fifteen representatives who won the honorable title of model laborer of Zhejiang Province in 1989 gathered together at the lakeside of Xihu to attend a discussion meeting held by the provincial party committee and the provincial government for commending model laborers on the morning of 5 October. The air of the place was full of the fragrance of orange osmanthus.

Among the provincial leaders that attended the discussion meeting were Li Zemin, Shen Zulun, Ge Hongsheng, Liu Feng, Xu Xingguan, Liu Yifu, Wang Yumin, Chai Songyue, Shang Jingcai, and Nie Quanlin.

The discussion meeting was presided over by Governor Shen Zulun. Vice Governor Xu Xingguan announced the decision by the provincial government on commending the 1989 model laborers of Zhejiang Province and the namelist of model laborers. [passage omitted]

On behalf of the provincial party committee and the provincial government, Li Zemin, secretary of the provincial party committee, warmly congratulated and paid high tribute to the advanced figures that won the honorable title of model laborer of the province for the year 1989. Taking advantage of the opportunity, he also extended cordial greetings to the broad masses of workers, peasants, intellectuals, cadres, commanders, and fighters of the People's Liberation Army [PLA], and public security cadres and policemen working hard in all fields of endeavor.

Li Zemin gave a high appraisal of the important contributions made by the vast numbers of model laborers to promoting social stability and economic development, as well as the major role they have played in bringing about a better standard of social conduct. Meanwhile, he called on the model laborers to give play to their exemplary role as the vanguards as well as the key link in all fields of endeavor; continue to display the spirit of plain living and hard work, pursuit for regeneration through self-reliance, and assiduous struggle and selfless dedication; and set a good example in various areas to achieve more success in economic construction in our province. Maintaining economic, social, and overall stability is our primary current task. It is necessary for the vast numbers of model laborers to do a lot more work to maintain stability and promote unity. He expressed the hope that the model laborers will also become models in studying politics, culture, science, technology, and, in particular, the basic theory of Marxism and Leninism, so that they may remain firm in their socialist conviction, conscientiously adhere to the four cardinal principles, and resist the erosion of the ideological trend of bourgeois liberalization. It is also necessary for model laborers to give play to their role as a link between the party and the masses, reflect the opinions, suggestions, and demands of the masses to the party and government in good time, and promote the development of the party's work style as well as the campaign to run a clean government.

Li Zemin stressed the necessity for the whole party and the entire society to show concern for and take good care of model laborers and make vigorous efforts to publicize their advanced thinking, excellent virtues, and moral character to bring about the prevailing good practice of learning from model laborers and emulating them to be an advanced figure among all the people in society. [passage omitted]

Zhejiang Meeting on Righting Malpractices
OW1310133090 Hangzhou ZHEJIANG RIBAO
in Chinese 24 Sep 90 p 1

[By Li Shi (3810 4258)]

[Excerpts] Leading organs are the key to strengthening the building of an honest government and rectifying malpractices in trades and professions. Departments of the provincial organs should take the lead in improving the conduct in various trades and professions. This was the proposal made at a discussion meeting of provincial organs on rectifying malpractices in trades and professions. The meeting was the first of its kind held by the coordination group of the provincial party committee and the provincial government for strengthening the building of an honest government and rectifying malpractices in trades and professions since the recent establishment of the group.

The discussion meeting was chaired by Chen Fawen, member of the provincial party committee Standing Committee and secretary of the provincial Discipline Inspection Commission who is also the responsible person of the provincial honest government and malpractice rectification coordination group. At the meeting, leaders of 14 provincial departments and bureaus of finance, public security, industry and commerce, economic relations and trade, communications, urban development, commerce, banking, commodity prices, materials, posts and telecommunications, public health, and education reported on their study and implementation of the guidelines of the State Council's telephone conference within their respective departments. They also discussed and studied the specific measures and methods of rectifying malpractices in trades and professions. Li Zemin, secretary of the provincial party committee, spoke at the meeting.

The meeting maintained that malpractices in trades and professions have been a chronic and difficult disease over the years. It has yet to be effectively resolved, although it has attracted some attention in the course of rectifying party work style and building an honest government in recent years. Among the most outstanding malpractices in trades and professions in our province are the "three irregularities." The first irregularity is in fee collection. According to a preliminary investigation on 36 departments in a certain city, there are 6,653 types of administrative and business fees grouped under 292 categories. Secondary and primary school students will have to pay 101 types of fees, of which 49 types are collected by the various social circles and 52 types by the schools. Most parents feel overburdened. Some of these fees, that come in all descriptions, are reasonable and legal. However, quite a large number of them either are charged to a wider scope of services and at a higher rate without authorization, intersect or overlap one another, or are collected under some disguised forms. The second irregularity is in imposing fines. This is manifested in many forms: In some cases, new fines are introduced without authorization, or the scope of the fines has been

expanded. In other cases, the margin for imposing fines is too big. As a result, fine collectors impose a heavy fine on cases that deserve only a light fine, or they ruthlessly, and willfully impose heavy fines based on their own speculation. Some fine collectors will not give out legal receipts for the fines or purposely replace legal receipts with memo slips. There are even cases when heavier fines are levied on those who ask for legal receipts than on those who do not. The third irregularity is in exacting funds. Last year, an enterprise was asked to pay 135,000 yuan to 37 units under the name of fund-raising, sponsorship, and financial assistance. In addition to the "three irregularities," the problems of seeking private gain for oneself or one's own unit through privileges in a particular trade or profession also exist in varying degrees, some of which are even quite serious. [passage omitted]

All of this shows that where there is power, there will be people seeking personal gain. The malpractices in trades and professions, likened to "the use of mountain and river resources by those who live near a mountain or a river," are strongly resented by the masses. They have seriously damaged party and government work style, tarnished the reputation of the party and the government, and played a destructive role in our effort to stabilize the people's mind and society. Therefore, party committees and governments at various levels, as well as all departments under the provincial organs must fully realize the seriousness and the harm of malpractices in trades and professions. They should conscientiously, not perfunctorily, implement the guidelines set by the State Council's teleconference to resolutely and effectively rectify the malpractices that exist in their own departments and organizations.

Chen Fawen presented his views on how to rectify the malpractices in trades and professions in the immediate future. He said: First, we should continue to organize cadres, staff, and workers to seriously study the guidelines set by the State Council's teleconference; enhance their awareness; and achieve unity in their thoughts. Provincial organs should carry out party membership reregistration while conducting investigations and reviews on malpractices in trades and professions within their own organs. They should take actions against the questionable units and party members. Efforts should be made to better promote ideological work, and to make sure that all cadres, staff, and workers are actively involved in the drive to build a clean government and rectify malpractices. Second, efforts should also be made to identify the prominent professional characteristics and existing problems of the various departments, and to take practical and effective measures to solve them. These measures should first be implemented within each department. In September, party and the government organs at and above the county level should mainly concentrate on conducting investigations to know the actual situation, and make the necessary preparations for the provincial party committee and government to work out an overall plan during October. Third, it is important

to single out the problems and straighten them out exclusively. The malpractices in trade and professions take so many forms that it is simply impossible to solve all the problems in one fell swoop. Based on the prevalent conditions in our province, the provincial party committee and government have decided to deal first with the "three irregularities," and regard the straightening out of such problems as a starting point in curbing the malpractices in trades and professions. Departments and units having the "three irregularities" should make an overall review of the rules and regulations governing fee collection, imposition of fines, and exaction of payments. They should then straighten them out clause by clause. Departments and units free from such problems should also take account of the prominent characteristics and actual situation of their professions and organizations, and map out their plans for correcting malpractices. Fourth, malpractices in trades and professions involve not only the violation of discipline, but also policy and vocational matters. Therefore, in the course of rectifying malpractices, efforts should be made to improve the coordination and cooperation among the relevant departments, professions, and vocational matters. In dealing with cases involving the overall solution of a certain problem, the coordinating group (or leading group) should gather the relevant departments together in order to conduct a common study with a view to perfecting the work.

Li Zemin gave a speech at the end of the meeting. He said: Malpractices in trades and professions involve many things and people, and have existed for so long that their solution tends to be relatively complex and difficult. Therefore, we must adhere to the principle of firmness and persistence. First, we must clearly understand that the rectification of malpractices in trades and professions is an important step in improving the party's work style and in building a clean government. We should achieve unity in our thinking; overcome the fear of difficulty; clear the muddled ideas such as "the laws are not enacted to punish the public" and "the economy might be affected"; list the rectification of malpractices in trades and professions as an important item on the daily working agenda of the leaders at various levels; and draw up plans and take effective actions to implement them. Second, work should start from the leading organs and cadres and proceed down to the grass roots. Spurred by the good examples set by the leaders and the good practices shown by the party and government organs, the various trades and professions as well as the grass roots are expected to take their turn in improving their practices. Third, it is important to organically link up ideological education, the investigation and handling of cases, the formulation of rules and regulations, supervision and inspections, and the training of personnel in a comprehensive effort to straighten out the malpractices in trades and professions. Fourth, leadership should be strengthened. The provincial party committee and government have formed a coordinating work group to strengthen the building of a clean government and to rectify the malpractices in trades and professions. The

various localities and units should likewise take their actual situation into consideration, appoint leaders to take charge of the relevant work, and set up a non-permanent group to closely attend to this work to ensure success.

Central-South Region

Guangdong Industrial Output Value Rises

OW1510154190 Beijing XINHUA in English
0657 GMT 15 Oct 90

[Text] Guangzhou, October 15 (XINHUA)—The industrial output value of south China's Guangdong Province during the first three quarters of this year reached 113.7 billion yuan (about 24 billion U.S. dollars), up 12.1 percent over the same period last year.

A provincial economic official said the industrial output values of most cities in the province have increased in various degrees compared with the same period last year.

He said that industrial growth rates for the special economic zones and cities in the Pearl River delta are the highest.

Industrial growth rates for Shenzhen and Zhuhai, two of the first special economic zones in China, rose 40.5 percent and 26.6 percent respectively. The industrial output values of Huizhou and Zhongshan Cities rose by 29.3 percent and 25.7 percent separately.

During the nine-month period, the province exported 30.7 percent of its industrial goods, worth 29.87 billion yuan (about 6.3 billion U.S. dollars), an increase of 40 percent over the same period last year.

The official attributed the industrial growth to the readjustment of product mix and the recovery from last year's sluggish domestic market.

Guangxi Students Receive Military Training

HK1510123490 Nanning Guangxi Regional Service
in Mandarin 1130 GMT 11 Oct 90

[Text] On 8 October, more than 500 students of Guangxi University arrived with their blanket rolls and luggage to start their one-month military training at the Guangxi Military District's training brigade.

In order to implement and carry out the spirit of the circular issued by the State Education Committee and the three general departments of the People's Liberation Army [PLA], the regional education commission and the Guangxi Military District decided to organize some college students to gather together and carry out formation, shooting, individual tactics, and other types of training and to learn military theory and our army's glorious traditions with a view to raising the students' ideological and political consciousness, arousing the students' patriotic enthusiasm, strengthening the students' sense of organization and discipline, and enabling

the students to master basic military knowledge and skills through military training. This will lay a good foundation for fostering senior personnel who are ethically, intellectually, and physically mature and who are professionally qualified, and also will lay a foundation for the PLA to train forces and officers for the reserves.

The Guangxi Military District has selected 17 excellent officers and soldiers from its units to act as the core staff and teaching staff, thus ensuring the quality of the training and teaching.

Deng Hongxun Attends Haikou City CPC Congress

*HK1610014990 Haikou Hainan Provincial Service
in Mandarin 2300 GMT 11 Oct 90*

[Text] The Seventh Haikou City CPC Congress ended yesterday [11 October]. In the past three days, the 279 representatives from various fronts discussed and adopted the work report of the Sixth Haikou City CPC Committee and the work report of the Haikou City Discipline Inspection Committee. They also elected the Seventh Haikou City CPC Committee and the Haikou City Discipline Inspection Committee. (Chen Liji) was elected secretary of the Haikou City CPC Committee, and (Zeng Haorong) and (Chen Bin) were elected deputy secretaries. (Xie Jianren) was elected secretary of the Haikou City Discipline Inspection Committee.

The congress proposed that the building of Haikou City into an open-door international city with distinguishing features of a coastal city and tropical views should be taken as a target of struggle in the future.

Deng Hongxun, secretary of the Hainan Provincial CPC Committee, and Yao Wenxu, deputy secretary, attended the meeting and spoke. In his speech, Deng Hongxun hoped that the new leading body of the Haikou City CPC Committee will boost its spirit and, with a high sense of responsibility and urgency, and an entirely new posture and with a style of doing things in a down-to-earth manner, lead all party members to endeavor to attain the goal set by the Seventh Haikou City CPC Congress. The party organizations and party members of the city must develop the good tradition of integrating theory with practice, maintaining close ties with the masses, and carrying out criticism and self-criticism; actively study Marxist theory; and use the Marxist stand, viewpoint, and method to analyze and solve the difficulties and problems emerging in the construction of the special zone.

Discusses Screening Private Houses

*HK1610034490 Haikou Hainan Provincial Service
in Mandarin 2300 GMT 12 Oct 90*

[Text] In order to further deepen the work of screening houses, the provincial party committee and the provincial government decided to organize a second batch of work teams by selecting and transferring five cadres at the provincial department level to act as their leaders and 10 cadres at the section level to act as their deputy

leaders. The five work teams composed of 48 people will set out for five counties, namely, Wenchang, Wanning, Tunchang, Danxian, and Lingao on 17 October.

Yesterday morning, the provincial party committee and the provincial government held a meeting of the second batch of work teams at the Qiongyan Hotel.

Provincial party committee Secretary Deng Hongxun attended and delivered a speech at the meeting.

Secretary Deng said: Private houses built in violation of the law and disciplines is a corrupt phenomenon on the street, which has caused much resentment among the masses. We must regard the work of screening houses as a breakthrough and successfully fight this battle. Only by doing so will we be able to combat other types of corrupt phenomena. The masses are watching us closely; we must do our best. In tackling the problem of cadres building private houses in violation of the law and disciplines, we must concentrate our efforts on the key points and the major and serious cases, screen such cases whenever they are discovered, and handle such cases after they are screened. We must be resolute when firmness is needed. Nevertheless, in carrying out screening, we must do meticulous work, do things strictly according to the policies, and be brave in tackling thorny problems, but must not act rashly. In the meantime, we must go all out to mobilize the masses and rely on the masses, dispel misgivings, and be really bold in screening houses. He said: With the support of the party and the masses, the work of screening houses will certainly win a complete success.

Provincial Discipline Inspection Commission Secretary Dong Fanyuan and Deputy Secretary (Fu Zhiguang) also attended and delivered speeches at the meeting.

Sixth Hunan Provincial CPC Congress Meets

Xiong Qingquan Chairs Presidium

*HK1510060890 Changsha Hunan Provincial Service
in Mandarin 2300 GMT 11 Oct 90*

[Text] The Presidium of the Sixth Hunan Provincial CPC Congress held its fifth session at 1100 yesterday. Comrade Xiong Qingquan presided. A list of candidates for alternate members of the Sixth Hunan Provincial CPC Committee and a list of pre-election candidates for members of the provincial Discipline Inspection Commission were approved and submitted to the plenary session for preliminary election.

CPC Committee Members Listed

*HK1510054090 Changsha Hunan Provincial Service
in Mandarin 2300 GMT 11 Oct 90*

[Text] The following is a name list of the members of the Sixth Hunan Provincial CPC Committee (in order of the number of strokes in their surnames):

Wang Xiangtian, Wang Zhongfu, Wang Keying, (Wang Huanmin), Deng Youzhi—Yao Nationality—(Shi Yuzheng)—Female, Miao Nationality—(Zhu Dongyang), Liu Zheng, Liu Fusheng, (Liu Yangchen), (Liu Guifang)—Female—(Shi Youfa), (Zheng Wenshan), (Yang Zhengwu)—Tujia Nationality—Yang Minzhi, (Li Jianguo)—Female—(Li Dehua), (Wu Xiangdong), (Wang Xiaodong), (Shen Ruiping), (Shang Fuxing), Chen Pangzhu, (Chen Binsan), (Chen Zhangjia), (Guo Kangmin), (Luo Haishan), (Xin Feng), (Zhou Jicai), (Zhou Shichang), (Chang Weiqiang), (Chang Daomu), (Zheng Peimin), (Hou Biao), (Zhao Jiebing), (Zhao Peiyu), Yu Haichao, (Qin Guangrong), (Xiang Zanzhong), (Gao Jinping)—Female—(Pang Zhixiang), (Cao Wu), (Cao Guochen), (Liang Xinchun), (Dong Juwen), (Fu Hailiang), (Zhong Shu), (Chu Po), (Xie Peixun), (Zhai Shouzhong), Xiong Qingquan.

New Provincial Party Committee Elected

HK1610032990 Changsha Hunan Provincial Service
in Mandarin 2300 GMT 13 Oct 90

[Text] The Sixth Hunan Provincial CPC Committee called its first plenary session in Changsha yesterday. Comrade Xiong Qingquan, who was later reelected secretary of the provincial party committee, chaired the session and gave an important speech. A total of 46 party committee members and eight alternate members attended the session, three party committee members and one alternate member were absent. Members of the provincial advisory and discipline inspection committees attended the meeting as nonvoting participants.

The meeting first passed the electoral procedures and then the preliminary vote was taken to elect candidates for the sixth provincial party committee Standing Committee members. The preliminary election was held with the number of candidates nominated exceeding the number of candidates required, electing formal candidates for the provincial party committee Standing Committee members. Later a one-candidate-for-each-post election through secret ballots was held, and the results were submitted to the party Central Committee for approval. Eleven comrades including Xiong Qingquan, Chen Bangzhu, (Sun Weisheng), (Yang Zhengwu), (Dong Jiwen), (Peng Weiqiang), (Shen Ruiping), Xia Zhanzhong, (Yang Wuji), (Zu Dongyang), and (Li Jianguo) were elected members of the Sixth Hunan Provincial CPC Committee Standing Committee; Xiong Qingquan was elected secretary of the Hunan Provincial CPC Committee; and Chen Bangzhu, (Sun Weisheng), and (Yang Zhengwu) deputy secretaries. At the sixth provincial party committee's first session held yesterday, the delegates passed the reports on the election returns at both the provincial advisory and discipline inspection committees' first plenary sessions by a show of hands.

Later, provincial party committee Secretary Xiong Qingquan delivered an important speech amid warm applause. He said: The sixth provincial party congress has elected us members of the provincial party, advisory,

and discipline inspection committees. This represents the party and people's great trust in us. I believe that every one of us will deeply feel that we have a great and glorious responsibility on our shoulders. We must make concerted efforts to do our work well and live up to the ardent expectations of 400,000 party members and 60 million people across the province. He stressed: To perform our duties well and to fulfill the tasks assigned by the provincial party congress, the most important thing to do is we must politically strengthen the provincial party, advisory, and discipline inspection committees so that they will become strong leading bodies enjoying great rallying force and effective fighting capacity. To strengthen the leaders, we must work as one. Under the new situation and in face of new tasks, we as members of the provincial party, advisory, and discipline inspection committees should have a new mentality and a new attitude toward work and make new achievements. Leaders, no matter that they are newly elected or reelected, should set higher demands on themselves and further improve their leadership art and raise their ideological level. They should study hard, keep close ties with the masses, implement the policy of reform and opening up to the outside world, close ranks, keep forging ahead, keep up the practice of plain living and hard struggle in an exemplary way so that their exemplary act and favorable image will influence and encourage great numbers of party members and cadres to fulfill various tasks assigned by the provincial party congress. He emphasized the following tasks: Strengthen theoretical study to further raise our political and ideological level and improve our art of leadership; truly change the leadership style and persist in the mass line; continuously enhance the awareness of reform and opening and give an impetus to the work in all fields by implementing the policy of reform and opening; conscientiously carry out democratic centralism and constantly strengthen the party's unity and unified leadership; and carry forward the fine tradition of plain living and hard struggle and work hard to make contributions to the people. He finally said: Let all members of the provincial party, advisory, and discipline inspection committees unite and work hard to fulfill all the glorious tasks assigned by the provincial party congress.

CPC Congress Ends

HK1610031990 Changsha Hunan Provincial Service
in Mandarin 2300 GMT 12 Oct 90

[Excerpts] [Announcer] Through the common efforts of all participating representatives, the Sixth Hunan Provincial CPC Congress, which had been followed with great interest by vast numbers of party members and people of all nationalities in our province, fulfilled all its tasks and came to a successful close on the afternoon of 12 October in the provincial party committee's auditorium. The congress called on the party organizations at all levels throughout the province and the vast numbers of party members to unify their thinking, strengthen their confidence, unite as one, and struggle hard under the leadership of the CPC Central Committee with

Comrade Jiang Zemin as the nucleus so that they can make new contributions to Hunan Province's long-term stability and development. [passage omitted]

The closing ceremony was presided over by Comrade Xiong Qingquan. He said: [Begin Xiong recording] Comrades, the Sixth Hunan Provincial CPC Congress is holding its last plenary meeting this afternoon. The main items on this meeting's agenda are to adopt resolutions on: First, the Fifth Hunan Provincial CPC Committee's report; second, the provincial Advisory Committee's work report; and third, the provincial Discipline Inspection Committee's work report. [end recording]

[Announcer] The participants unanimously adopted these resolutions in a vote by a show of hands. Amid warm applause, Comrade Sun Wensheng made the closing speech. [passage omitted]

Southwest Region

Yang Rudai at Sichuan Rural Building Conference
HK1510150690 Chengdu Sichuan Provincial Service in Mandarin 1015 GMT 11 Oct 90

[Summary from poor reception] A Sichuan provincial work conference on building village-level organizations opened in Chengdu 11 October. Provincial Party Secretary Yang Rudai attended. (Chen Yixin), member of the provincial CPC Committee Standing Committee and head of the organization department, delivered a speech on strengthening the building of village-level organizations with party branches at their core, in accordance with the spirit of the national forum on village-level organization building and in light of the practical conditions in Sichuan Province.

Xie Shijie, provincial executive vice governor, and Liu Changjie, provincial vice governor, presided over the conference.

Sichuan Province Expects Record Grain Harvest
OW1210182990 Beijing XINHUA in English 1327 GMT 12 Oct 90

[Text] Chengdu, October 12 (XINHUA)—Sichuan Province, China's leading grain producer, is expected to harvest a record 41.84 billion kg of grain this year despite disasters which hit parts of the province.

This year's harvest is expected to be one billion kg more than last years record harvest.

According to a local agricultural official, the output of oil bearing crops, cotton, fruit and sugar cane have also registered significant increases.

The grain output of Sichuan usually accounts for one-tenth of the country's total. However, this year the increase in grain output is particularly great in the Chengdu Plains. The area is expected to show an increase of 200 million kg, even though arable farmland

in the area has shrunk by 18,000 ha, and the acreage sown in grain is the same as last year.

The official said that having a record grain harvest this year was hard fought because the farming areas in both eastern and western Sichuan suffered from heavy droughts and floods.

An increase in agricultural investment by the local government is responsible for this year's record grain harvest, the official said.

The province increased agricultural investment by 29.5 percent, and during the busy farming season sent thousands of officials and technicians to help solve problems and give technical advice to the local farmers.

The agricultural departments also insured prompt delivery of supplies, farm tools, chemical fertilizer, seeds, pesticides and fuel to the farmers.

Tibetan Official on Advanced Collectives

OW1410073790 Lhasa XIZANG RIBAO in Chinese 4 Sep 90 p 1, 3

[Speech by Gyaincain Norbu, deputy secretary of the Tibet Autonomous Regional CPC Committee and chairman of the regional people's government, at the 3 September closing ceremony of the regional meeting to commend advanced collectives and individuals for promoting unity among the nationalities]

[Text] Distinguished guests, fellow representatives, comrades:

Thanks to your efforts, Tibet's first regional meeting to commend collectives and individuals who have promoted unity among all nationalities soon will be over. It has successfully accomplished its missions and attained its anticipated objectives. On behalf of the regional party committee and people's government, I once again want to thank the leading comrades of central authorities and fraternal autonomous regions for the guidance they have given us here. And I also want to extend my high respects for all delegates who are present here!

The atmosphere of this meeting has been warm and vigorous. The stories you have told us and the experiences you have shared with us are heart-warming. I am sure that they will have far-reaching impact among the people in Tibet. This meeting has been a successful and significant one.

The heart-warming speech given by Ismail Amat, vice chairman of the Chinese People's Political Consultative Conference [CPPCC] National Committee and minister in charge of the State Nationalities Affairs Commission, is a great support for our work. It is a speech that will encourage us to do our work even better. Comrade Hu Jintao's important speech entitled "Consolidate and Develop the Great Unity Among People of All Nationalities and Work Hard To Build a United, Affluent, and Civilized Socialist New Tibet," objectively reviewed the

glorious history of unity among the nationalities in Tibet since its peaceful liberation 40 years ago. The speech comprehensively analyzed the situation of unity in Tibet, scientifically examined the experience Tibet has gained in promoting unity among the nationalities, and profoundly explained the great significance in strengthening unity among nationalities. It also has systematically provided us the guidance for promoting unity among the nationalities, and discussed what more we should do. Comrade Hu Jintao's speech embodies the party's basic line and policy for nationalities affairs. It also embodies the important instructions Comrade Jiang Zemin made during his inspection tour in Tibet, and the spirit of Tibet's fourth regional party congress. What was stated in the speech is in line with Tibet's actual state of affairs. The speech is greatly significant for promoting unity, progress, and prosperity among people of all nationalities, and for safeguarding national unification. All prefectures, cities, departments, and units throughout Xinjiang must earnestly convey and implement the speech. They should organize their cadres, workers, and people of all nationalities in all circles and at grass-roots units to study the speech and make sure that each and every one will act on the instructions. The results of implementation will be judged by their actual performance.

Comrades, under the CPC leadership, a large number of advanced collectives and thousands upon thousands of exemplary personnel who have contributed to promoting unity and progress among people of all nationalities have come to the fore on all fronts during all periods of revolution and construction since Tibet was liberated 40 years ago. The 104 collectives and 298 individuals commended at this meeting are models in promoting unity among the nationalities during the new period. Some of them have rendered exceptional meritorious services in combating national separatism and safeguarding national unification; some have achieved outstanding successes in promoting Tibet's economic and cultural development; and some have made outstanding contributions to consolidating defense, combating natural disasters, and providing disaster relief services. We can see from them their socialist spirit, their patriotism, and their great unity. We also can see from them the successes—which are the mainstream—that they have achieved in promoting unity of nationalities, safeguarding national unification, stabilizing Tibet's situation, and promoting Tibet's economic and cultural development. Their vivid, heart-warming deeds and their rich experiences are worth emulation by all units and people throughout Tibet.

This meeting, which was called by the Tibet regional party committee and people's government, to commend the advanced collectives and individuals in a big way is for the purpose of propagating their exemplary deeds and experiences in Tibet so that we can create powerful public opinion to encourage people to uphold their socialist conviction and unite even more closely in safeguarding national unification and striving to build a

new Tibet. We are sure that with their socialist spirit; patriotism; and eagerness to work together to build a united, affluent, and civilized socialist new Tibet, people in all quarters will work together even harder to achieve lasting stability and a sustained, stable, and coordinated economic growth; to substantially improve the life of the people; and to expedite unity among the nationalities, and progress and prosperity in Tibet. Objectives set by the fourth regional party congress. We believe that owing to the good examples set by the advanced collectives and individuals, people in Tibet will certainly reach their goal as long as they work hard together.

These advanced collectives and individuals have contributed significantly to promoting unity among the nationalities in Tibet and to national unification, stability, and development. The party, government, and people in Tibet will never forget them. Here, we urge cadres, workers, and people of all nationalities in all circles to follow in their footsteps and to become examples and collectives of unity of nationalities. We hope everyone in society is aware of the need to safeguard national unity, oppose national separatism, and firmly combat all types of conduct harmful to unity. We also urge party and government organizations at all levels to cherish and support these collectives and individuals and to bring their roles into full play. We hope these advanced collectives and individuals will also learn from the people, maintain close ties with them, remain humble and cautious, guard against arrogance and rashness, strive to make even greater progress and win greater glory, and contribute even more to promoting unity among the nationalities and progress.

Comrades, under the correct leadership and care of the party Central Committee, with Comrade Jiang Zemin as the core, we have been working earnestly to implement its important guidelines for Tibetan affairs. While taking comprehensive measures to stabilize the situation, we also have been working hard to carry out reforms, open to the outside world, and develop the economy. Thanks to the united struggles carried out by party members, government workers, police forces, and the people in Tibet, we have achieved significant success already. Tibet's situation has been improving, a bumper agricultural harvest is in sight, the region's industrial production is growing, its communications services are developing, new successes have been achieved in economic readjustments and reforms, the party organizations have become stronger, and efforts to promote socialist ethics have been intensified. The important instructions General Secretary Jiang Zemin made during his inspection tour in Tibet and the guidelines of fourth Tibet regional party congress have expedited all tasks in Tibet. Although the tasks before us remain formidable and there still will be difficulties ahead, we are determined to do our jobs well, and we have the confidence that we will succeed.

While reviewing the experience of the Chinese revolution, Comrade Mao Zedong pointed out: "The unification of our country, the unity of our people, and the

unity of our various nationalities: these are the basic guarantees of the sure triumph of our cause." During his inspection in Tibet, Comrade Jiang Zemin stressed: "We should continue to safeguard and strengthen the unity of our various nationalities. This is the basic guarantee for handling Tibet's affairs successfully, promoting all causes, and winning the antiseperation struggle." Our party's leadership over the protracted revolution and construction carried out by people of all nationalities proves that this great truth is particularly significant for Tibet. Inspired by this meeting, let us, under the leadership of the party Central Committee with Comrade Jiang Zemin as the core, and under the guidance of the important instructions Comrade Jiang Zemin made during his inspection tour in Tibet and the guidelines of the fourth Tibet regional party congress, rally even more closely and win new and even greater victories!

Yunnan Armed Committee Discusses Reserve Forces
HK1610021190 Kunming Yunnan Provincial Service
in Mandarin 1000 GMT 11 Oct 90

[Text] The enlarged meeting of the armed committee [wu zhuang wei yuan hui 2976 5944 1201 0765 2585] of the Yunnan Provincial CPC Committee was held in Kunming yesterday morning. The main tasks for this meeting were: To convey the guidelines of a meeting of the provincial party committee and discuss how to strengthen the building of reserve forces and enhance national defense education in this province to raise the level of reserve forces and national defense education to a higher level.

Yin Jun, deputy secretary of the provincial party committee, presided over the meeting. He Zhiqiang, deputy secretary of the provincial party committee and provincial vice governor, spoke. In his speech, He Zhiqiang said: Since the 1988 enlarged meeting of the provincial armed committee, we have conscientiously implemented the policies of the party Central Committee, the State Council, and the Central Military Commission on the building of reserve forces and have worked hard to greatly promote national defense education and the building of the militia and reserve forces, with the overall situation of economic construction and social stability as the center. We must also realize that our national defense education is still in its initial stage and some comrades still lack a good understanding of its importance. In many aspects, the systematic national defense education projects still do not suit each other. The leadership structure, educational system, and measures for implementing policies have yet to be further improved. In view of the existing problems, He Zhiqiang emphasized: It is necessary to further enhance the understanding of cadres, especially leading cadres at various levels, on the importance of national defense education. It is necessary to further do a good job in the building of the militia and reserve forces in accordance with the requirement that militia work must be carried through organizationally, politically, and militarily. It is necessary to give full play to the roles of militiamen in the

building of the two civilizations so that they can make contributions to stabilizing society, making the country prosperous, and developing the Army. It is necessary to take effective measures to strengthen the building of grass-roots People's Armed Forces departments and cadre ranks so that they can render new contributions to the long-term tranquility of the state and the socialist modernization drive.

At yesterday's meeting, (Zhao Yongmao), deputy commander of the provincial military district, conveyed the main points of a meeting of the provincial party committee, and (Chen Lianfu), political commissar of the provincial military district, delivered the work report of the armed committee of the provincial party committee. Provincial Vice Governor Zhao Tingguang; Deputy Political Commissar (Li Hezong) of the provincial military district; responsible comrades of the headquarters, political department, and logistics department of the provincial military district; and responsible persons of various departments, committees, offices, and bureaus directly under the provincial authorities, administrative offices of some major prefectures, and military subareas also attended the meeting.

North Region

Beijing People's Congress Discusses Reports
SK1310071390 Beijing BEIJING RIBAO in Chinese
8 Sep 90 p 1

[Report by correspondent Cao Jing (2580 7234): "Beijing's Society Is Stable, the Economy Continues To Improve"]

[Text] The 22d Standing Committee meeting of the municipal People's Congress was held on 7 September. It discussed the three reports on planning, finance, and industrial development given by the municipal government. Those attending the meeting universally expressed approval of the reports, and emphasized that Beijing's achievements in social stability and the continued improvement of its economy had not been won easily.

Entrusted by the municipal government, Wang Jun, chairman of the municipal Planning Commission, Wang Baosen, director of the municipal Finance Bureau, and Yan Chengzong, chairman of the municipal Economic Commission, respectively, gave the "Report on Fulfillment of the Beijing Municipal 1990 Economic and Social Development Plan and the Major Targets of the Seventh Five Year Plan," the "Report on Implementation of the Beijing Municipal 1990 Revenue and Expenditure Budget from January to July," and the "Report on the January-July Industrial Production."

Wang Jun said in the report: The municipal government achieved notable results in economic improvement and rectification, and a steady turn for the better in the economy since the beginning of this year thanks to its various policy measures.

A good trend of sustained and stable development was maintained in agriculture. The best records were created in both the total output and per-unit yield of grain. Fall grain is growing well, the production of nonstaple foods is increasing steadily, and township enterprises are continuing to develop in a healthy manner following adjustment.

Industrial production grew steadily, and the industrial output value showed a 4.1-percent increase over the corresponding period last year.

The market and commodity prices were stable, and commodity supplies were sufficient. Commodity retail sales showed a 13.6-percent increase over the corresponding period of last year. The overall commodity supplies also were fairly good, and the stock of grain, oil, and nonstaple foods was sufficient. The growth rate of retail prices was brought under control continuously, and showed a decline of 19 percentage points from the growth rate of the corresponding period of last year.

Opening to the outside world was expanded. Foreign export trade showed a substantial increase, registering a 20-percent growth over the corresponding period last year, and 78.5 percent of the state-assigned annual plan for foreign export trade and 62.5 percent of the target that the municipality planned to attain were fulfilled. New progress was made in foreign capital utilization. Compared with the corresponding period last year, the number of approved projects on Chinese-foreign joint ventures and cooperative enterprises and exclusively foreign-funded enterprises rose by 59 percent, and the transactions by 9.2 percent. Tourism picked up gradually, and has by and large reached the normal level since April.

Revenue increased by 2.8 percent over the corresponding period last year, bank savings grew substantially, and loans remained basically normal.

The investment in fixed assets showed an increase while under control continuously, and key construction projects progressed smoothly.

New progress also was achieved in science and technology, education, culture, radio and television broadcasting, medical and health work, and sports.

Initial results were achieved in changing the chaotic order in the distribution of goods, and notable achievements scored in screening and rectifying companies. Reforms were improved and deepened.

Wang Jun pointed out in the report: We also should remain clear-headed in order to understand the grim side of the economic situation. It is better to slightly overestimate difficulties than to be unrealistically optimistic. We should carry out our work in a painstaking, meticulous and down-to-earth manner.

Wang Baosen's report was composed of four parts: A turn for the better in the revenue and expenditure of our municipality from January to July; a great amount of

work done by the people throughout the municipality to improve the financial situation; current major difficulties and problems in our municipality's finances; and raise spirit, enhance confidence, and strive to fulfill the annual financial task.

Yan Chengzong made an analysis and report on industrial production from January to July and the production situation in the next five months.

During their discussions, the members expressed satisfaction with the three reports, and pointed out that last year the municipal government achieved notable results in its conscientious efforts to implement the series of central principles and policies for improvement, rectification, and in-depth reform. They spoke highly of the hard work carried out by the vast number of cadres, staff members, and workers on the economic front of the municipality. They pointed out: The current major focus of contradictions is how to promote industrial production steadily while orienting it to the needs of the market and improving its economic returns. Intertwinement of the deep-seated problems in the irrational production setup, which have yet to be solved, and the new contradictions emerging in the economic improvement and rectification have created many difficulties for us in comprehensively fulfilling this year's plans and tasks for the budget, and in ensuring sustained, stable, and coordinated economic development. We should not underestimate the difficulties, still less be unrealistically optimistic.

The Standing Committee meeting opened on 6 September. At the meeting, the members discussed again the "Beijing Municipal methods (revised draft) for enforcing the 'PRC fishery law,'" the "Beijing Municipal regulation (revised draft) on banning gambling," and the "Beijing Municipal regulation (revised draft) on trade unions of the Chinese-foreign joint ventures."

Li Ximing at Outstanding Young Teachers Forum *SK1310010990 Beijing BEIJING RIBAO in Chinese* 7 Sep 90 p 1

[By reporter Man Guifang (3341 2710 5364): "Educating Students in an All-Around Way, With the Priority on Moral Education"]

[Text] On the afternoon of 6 September, the college work commission under the municipal party committee and the municipal educational workers' trade union jointly held a forum for outstanding young teachers. Li Ximing, secretary of the municipal party committee, attended the forum and made an important speech.

Attending the forum were 50 outstanding young teachers from colleges, middle schools, primary schools, and kindergartens in the municipality. In line with their respective practice of teaching and scientific research, these young teachers freely talked about their experience in imparting knowledge and educating students.

On behalf of the municipal party committee and the municipal government, Comrade Li Ximing extended congratulations to the outstanding young teachers participating in the forum, and expressed solicitude for the vast number of educational workers in the municipality.

Li Ximing said: "Today's forum proceeds very well, and participants here have also spoken very well. At the moment, an important task we educational workers face is to train good successors to our cause and to educate students in an all-around way, morally, intellectually, and physically, with priority to moral education. In this aspect, the vast number of teachers shoulder an arduous, heavy, and glorious task, and the responsibility assumed by young teachers is even greater."

He pointed out: "During the past few years, a big change has taken place in our country. In the course of carrying out reform and opening to the outside world and in the process of developing a commodity economy, some new circumstances have happened in the ideological sphere. Whether or not the proletarian and socialist ideas can occupy an absolute predominance in the ideological sphere has a direct bearing on the question of what kind of successors we will turn out. To realize socialism with Chinese characteristics, we must achieve success in reform and opening-up, must develop a commodity economy, and must solve the ideological problem that capitalism attempts to triumph over socialism. Now, New China has been established and the Chinese people have truly stood up. However, some persons openly advocate that China should still be a colony and a slave of foreign power and should prostrate itself before capitalism. This will get us absolutely nowhere."

Li Ximing said: "In training successors to our cause, we should begin with preschool education, and make all stages of education a connected sequence. Teachers from kindergartens to universities should all place moral education on the most important position of educational work, and should, in particular, pay attention to education in the ideological sphere. They should adhere to the Marxist world outlook and methodology, foster a correct political direction, and guide students to grow up in a healthy manner."

Also attending the forum were Wang Jialiu, Li Xingwan, Li Chen, and responsible persons of the college work commission under the municipal party committee and the municipal trade union council. A dozen of young teachers took the floor at the forum.

Addresses Cadres on Asian Work

SK1310070390 Beijing BEIJING RIBAO in Chinese
8 Sep 90 p 1

[Report by correspondent Sun Yushan (1327 3768 1472): "Undergo Examination and Test, Exert Utmost Efforts To Make Asian Games Successful"]

[Text] On the evening of 7 September, the municipal party committee and government held a meeting of party

and government leading cadres of districts, counties, and bureaus to call on party organizations at various levels, the vast number of Communist Party members and people throughout the municipality to undergo the final test and examination when preparations for the Asian Games are completed and the Asian Games will open soon, and to exert their utmost efforts to make the work in various fields successful.

In his speech, Li Ximing, secretary of the municipal party committee, said: The Asian Games will have great significance, influence, and character. In terms of its scale and number of participants it will be the largest international activity ever held in Beijing since the founding of the country. It also will last for a fairly long period, thus putting greater pressure on our work. In preparation for this grand event, we previously did a great deal of meticulous work. Now, after repeated examinations, it is time for us to make the final examination. We should continue our efforts until the last minute, further examine the work in various fields before the opening of the Asian Games to see if there is any leftover problem or if any mistake might be possible, and adopt timely measures to eliminate them.

Li Ximing urged: Party organizations at various levels throughout the municipality—from the party committees of districts, counties, bureaus, and general companies, the party committees of colleges and universities to the party branches of enterprises and establishments, rural areas, neighborhoods, and primary and middle schools—should successfully play their role as bastions to guarantee the safe, smooth, and successful progress of the Asian Games. They should hold meetings of party members to educate them to successfully play their leading and exemplary role and to fulfill the tasks entrusted by party organizations.

Chen Xitong, deputy secretary of the municipal party committee and mayor of the municipality, said in his speech: All the preparations for the Asian Games have been completed and the Asian Games will open soon. We should make still further progress to make the work for the last stage successful.

Chen Xitong urged: Under the leadership of the party Central Committee, the State Council, and the municipal party committee and government, all districts, counties, and bureaus and all units should persist in the responsibility system, fulfill the tasks for their own departments and units, and make sure that there is no problem and no buck-passing. They should enforce discipline strictly, and disobedience of orders or refusal to do assigned work on the excuse of their own peculiar circumstances will never be permitted. He stressed: At no moment should we slacken efforts in production and economic construction. Leading bodies of districts, counties, bureaus, and departments should divide their work to ensure that both the work for the Asian Games and that for production and day-to-day work are attended to simultaneously.

Li Qiyang, deputy secretary of the municipal party committee, and Su Zhongxiang, vice mayor of the municipality, spoke to arrange security work. Municipal Vice Mayor Zhang Baifa introduced the preparations for the Asian Games. Attending the meeting were Bai Jiefu and Wang Jialiu, municipal leaders; and Zhang Jingyuan, Li Yan, Zhou Yushu and Song Chaoliang, responsible persons of the Work Committee for organs Under the party Central Committee, the Work Committee for Central Government Organs, the Headquarters of the Armed Police Force of the Liberation Army, and the General Political Department of the Liberation Army.

Chen Xitong at Asian Games Village Ceremony

*OW1310040490 Beijing Television Service
in Mandarin 1100 GMT 11 Oct 90*

[From the "National News Hookup" program]

[Text] [Video opens with medium shots of Chen Xitong, Wu Shaozu, and other Asian Games officials standing in the Asian Games Square, followed by closeup shots of Chen Xitong speaking to the crowd] A solemn ceremony was held at the Asian Games Village Square this morning to mark the closing of the 11th Asian Games Village. The last group of guests, the Singaporean sports delegation, left the village yesterday. Between 7 September and 11 October, a total of 6,116 athletes and sports officials from 36 Asian countries and regions stayed in the village. Chen Xitong, chairman of the Asian Games Organizing Committee; Wu Shaozu, executive chairman; Zhang Baifa and He Zhenliang, vice chairmen; and Jiao Ruoyu, head of the Asian Games Village, attended today's closing ceremony.

Jiao Ruoyu, head of the village; Chen Xitong, chairman of the Organizing Committee; and representatives of the village's working personnel spoke at the closing ceremony.

In his speech, Chen Xitong spoke highly of the dedication and selfless spirit of the people working in the Asian Games Village and extended to them his cordial regards and sincere appreciation. He urged village personnel and the personnel of the organizing committee to foster the Beijing Asian Games spirit after returning to their work posts and make new contributions to socialist modernization and the development of the capital of their socialist motherland.

Flags of the Olympic Committee of Asia (OCA) and the 11th Asian Games were lowered to the tune of the OCA anthem.

Regional People's Congress Meeting Opens

*SK1310041990 Hohhot Inner Mongolia Regional
Service in Mandarin 1100 GMT 8 Oct 90*

[Text] The 16th meeting of the seventh autonomous regional People's Congress Standing Committee held its first plenum in the city of Hohhot on 8 October. Batubagen, chairman of the regional People's Congress

Standing Committee, presided over the plenum. Attending the meeting were vice chairmen of the regional People's Congress Standing Committee, including Butegeqi, Zhang Cangong, Xu Lingren, Bai Junqing, Liu Zhenyi, Zhou Rongchang, and Cui Weiyue; as well as members of the regional People's Congress Standing Committee—38 persons in all.

Attending the meeting as observers were Alatanaoqier, vice chairman of the autonomous regional people's government, and responsible persons from the autonomous regional Higher People's Court and the autonomous regional People's Procuratorate.

During the meeting, Badalahu, secretary general of the autonomous regional People's Congress Standing Committee, delivered a speech in which he gave a details to the draft agenda of the meeting. Items on the meeting's agenda are to discuss the region's draft regulations on protecting the aged; to discuss the region's draft regulations on family planning work; to discuss the draft measures submitted by the Hohhot City People's Congress Standing Committee for approval regarding conducting management over public health in the city; to discuss the region's draft regulations on statistical management; to hear and discuss the report given by the autonomous regional people's government regarding the work of disaster relief; and to discuss the report given by the Nationalities Affairs Commission under the autonomous regional People's Congress Standing Committee regarding the opinions on dealing with the motion No 67 handed over by the Presidium of the third session of the seventh autonomous regional People's Congress. Other agenda items are to discuss the report given by the financial and economic commission under the autonomous regional People's Congress Standing Committee regarding the opinions on dealing with motion No 15 handed over by the Presidium of the third session of the seventh autonomous regional People's Congress; to discuss the report given by the education, science, culture, and public health commission under the autonomous regional People's Congress Standing Committee regarding the opinions on dealing with motions No 14 and No 68 handed over by the Presidium of the third session of the seventh autonomous regional People's Congress; to discuss the report given by the general office of the autonomous regional people's government regarding handling the suggestions, criticism, and opinions raised by the deputies at the third session of the seventh autonomous regional People's Congress; to discuss the report given by the general office of the autonomous regional People's Congress Standing Committee regarding handling the suggestions, criticism, and opinions raised by deputies at the third session of the seventh autonomous regional People's Congress; and to approve the personnel changes of state apparatus.

During the meeting on 8 October, the participating members heard the report given by Bai Junqing, vice chairman of the autonomous regional people's government, in which he detailed the region's revised regulations on protecting the aged; the report given by Xu

Lingren, vice chairman of the autonomous regional People's Congress Standing Committee, in which he detailed region's revised regulations on family planning work; the report given by (Wen Xi), vice chairman of the Hohhot City People's Congress Standing Committee, in which he gave details of the city's measures for conducting management over public health; the report given by Chen Yuantao, deputy director of the autonomous regional statistical bureau, in which he gave details of the drafting of the region's regulations on statistical management; and the report given by Li Shulian, deputy director of the autonomous regional civil affairs department, who was entrusted by the autonomous regional people's government, regarding the work of disaster relief.

Also attending the meeting as observers were responsible comrades from the People's Congress standing committees of regional level cities and the general offices of league people's congresses; responsible comrades from the People's Congress standing committees of a number of banners, counties, and districts; a number of deputies to the National People's Congress and to the autonomous regional People's Congress; and responsible comrades from the regional level democratic parties.

Region Holds Party School Work Conference

SK1310025590 Hohhot Inner Mongolia Regional Service in Mandarin 1100 GMT 9 Oct 90

[Excerpts] In order to further promote the work of operating party schools across the region and to summarize and popularize the experience gained in running party schools to promote the work of training cadres and conducting education among party members, the autonomous regional party committee sponsored a televised telephone report meeting on the work of running party schools in the [words indistinct] center of Hohhot City on 9 October.

Attending the report meeting were Zhang Dinghua, deputy secretary of the autonomous regional party committee; Geriletu and [words indistinct], members of the autonomous regional party Standing Committee; and responsible comrades from the organizational and propaganda departments under the autonomous regional party committee and from the departments concerned.

The autonomous region's 12 leagues and cities as well as 37 banners and counties have also set up their own meeting site and the number of participants in the televised telephone report meeting on the work of running party schools has reached more than 1,000. [passage indistinct] [passage omitted].

During the report meeting, Zhang Dinghua, deputy secretary of the autonomous regional party committee, delivered a speech in which he pointed out that efforts should be made to vigorously enhance the training work for cadres in line with the new situation and tasks and to bring into full play the role of party schools in being three bastions and one furnace. The demand set by the CPC Central Committee for party schools at all levels to

vigorously turn themselves into the important bastions of conducting rotation training and holding training classes for party-member leading cadres, of fostering the party's contingent of theoretical personnel, and of studying and upholding the development of Marxism-Leninism-Mao Zedong Thought; as well as into the furnace of enhancing the tempering of party spirit; represents the guiding ideology of successfully running party schools and also represents the goal which we are trying hard to reach. [passage indistinct] [passage omitted]

In his speech, Zhang Dinghua pointed out that the undertaking of running party schools is in the favorable period of prosperous development and that the entire party and society are paying attention to the work of running party schools. Therefore, earnestly studying and implementing the circular issued by the CPC Central Committee regarding enhancing the work of running party schools and implementing the spirit of the national conference participated in by the presidents of party schools across the country represent important tasks for party committees at all levels to grasp the party's organizational work and also represent a focal point of the current work of running party schools. Party schools at all levels should actively win over the leadership of party committees; concentrate on achieving characteristics, scaling a new standard, and scoring results; enhance their attractiveness to win over the attention and support of various social circles; and should improve the region's work of running party schools to a new level as soon as possible.

Wang Qun Inspects Hohhot Cigarette Plant

SK1310014590 Hohhot Inner Mongolia Regional Service in Mandarin 1100 GMT 11 Oct 90

[Text] On the afternoon of 10 October, Wang Qun, secretary of the Inner Mongolia autonomous regional party committee, travelled to the Hohhot Cigarette Plant to conduct investigation and study, and to talk with plant leaders on the plant's current management situation and political and ideological work. Wang Qun looked into the plant's assembly line method, the cut tobacco manufacturing workshop, the cigarette making workshop, and the packing workshop; and inquired in detail about the packaging, quality, and prices of cigarettes. When Plant Director (Wang Jie) told Wang Qun that this plant was appraised as one of the enterprises with best efficiency in the country's tobacco trade and ranked 20th in efficiency among all tobacco enterprises of the country, Wang Qun said happily: This achievement has not come easily, thus we should keep this honor through continued efforts.

During the talk, Wang Qun conscientiously listened to the work report of the plant. In light of the problems currently existing in production, Wang Qun said: Under the current situation, we must improve enterprise management, actually implement the contract responsibility system to every team and every group, bring the training

of talented people under control, guarantee the quality of products, and strictly control the (reject rate). Meanwhile, we should pay attention to ideological and political work, and make sure each and every worker has the sense of responsibility.

Wang Qun was extremely concerned with the marketing situation of cigarettes, and discussed sales and marketing of cigarettes for a long time with leaders of the Hohhot Cigarette Plant and with comrades of the Hohhot City and Inner Mongolia Tobacco Companies. On hearing that the Hohhot Cigarette Plant was readjusting its product mixture with a view to meeting market demand, Wang Qun said: We should make full use of various preferential policies of the autonomous region to carefully study the changes in production and market. At the same time, we should occupy the vast market of the rural and pastoral areas as quickly as possible by positively producing the fairly priced and low-price cigarettes demanded by peasants and herdsmen. The Hohhot City People's Government and various responsible departments at higher levels should try their best to support enterprises. Only when enterprises are well developed and their products have a good market, will the government and the state have tax revenues.

On hearing that all leaders of the plant went deep into the first line of production to eat, live, and work together with workers since the beginning of August, Wang Qun said: This practice is very good, and thus should be carried forward. Workers are the masters of enterprises. Only when we hand over problems to workers and staff members and let them regard the problems of their enterprises as the problems of their own, will we be able to mobilize their initiative in production. As leaders of enterprises, we must show concern for the living and working conditions of workers to make the hearts of all workers linked.

Wang Qun expressed hope that leaders at all levels of enterprises would profoundly study two markets—the international market and the domestic market. Enterprises should understand the psychology of consumption, stress comprehensive efficiency, and arrange for production with the most scientific managerial policies and decisions.

Inner Mongolian County's Political Reform Viewed

*OW1310194890 Beijing XINHUA Domestic Service
in Chinese 0614 GMT 9 Oct 90*

[By correspondent Feng Lianhe (7458 6647 0735)]

[Text] Hohhot, 9 Oct (XINHUA)—Along with continuously deepening economic structural reform, Zhuozi County in Inner Mongolia Autonomous Region, one of the nine counties in China designated by the State Council for experimenting with structural reform, has scored marked results in boldly carrying out political structural reform at the county level, winning thorough recognition from relevant authorities.

Zhuozi County is a semi-agricultural and semi-pastoral area located in the central part of Ulanqab League in the Inner Mongolian Autonomous Region. With poor natural conditions, the county's main source of income comes from agriculture. Before the Third Plenary Session of the 11th CPC Central Committee was convened, the county had merely 2 million yuan of financial revenue, which was only 20 percent of its expenditure, and a 40-odd yuan per capita income among peasants. Zhuozi was a poor county which relied on resold grain for food, loans to carry out production, and relief goods to meet daily needs. In sharp contrast to the economic situation, the county's party and government organizations increased year after year. As a result, offices were overstaffed and operations became complicated. There were more people than work, each person shifted responsibility onto another, and people wrangled with each other, seriously impeding the county's economic development.

In recent years, along with gradually deepening and improving various economic structural reform measures in rural and urban areas, Zhuozi County actively and prudently unfolded political structural reform, focused on the reform of party and government organizations at the county level. Proceeding from reality, the county adhered to the principles of separating party from government organizations, political from administrative affairs, and government administration from enterprise management, and of transforming the government's direct management into indirect management of the economy, microeconomic management into macroeconomic management, and management by departments into management by various trades and professions in strengthening macroeconomic regulatory and control departments, weakening specialized economic supervisory departments, and abolishing or merging redundant departments. Through reforms on three occasions, the number of government organizations has been streamlined to six from 53. The number of departments affiliated with the county party committee has been reduced to two from seven. The number of party and government cadres directly under the county has been cut down to 252 from 711 in 1983. In 1989, the county's administrative expenses totalled only 2.55 million yuan (including expenditure of the People's Congress, the political consultative conference, and mass organizations, which were not included in the budget). This amounts to only 60 percent of expenses by counties of the same size in the league and the region, and is the least among the 15 cities, banners, and counties in the Ulanqab League. In this way, the county has achieved the aims of streamlining organizations, reducing personnel, cutting down expenditures, and raising office efficiency in a true sense, and has transformed county-level leaders from administrators into political leaders. It also has defined clearly the division of the responsibilities of the party, government, enterprises, and administrative departments, and cut down the levels of management. Today principal party and government leaders at the county level are spending less time on administrative affairs and more

time on major political principles. They concentrate their efforts on going down to the grass roots to conduct investigative studies and on exercising macroscopic guidance, thereby bringing about a marked change in the office work style. In recent years, all departments directly under the county have gone deep to hold on-the-spot meetings to help the grass roots solve practical problems. Since 1989, the county annually has dispatched some 500 cadres at the county, township, and village levels to visit factories, mines, enterprises, and impoverished mountainous districts to help the masses tide over difficulties, thus effectively strengthening the ties between the party and the masses.

Political structural reform has injected vitality into and deepened economic structural reform, promoted a steady development of the county's economy, and improved its people's livelihood. Compared with the 1984-1986 period, the three years between 1987 and 1989 (despite serious drought in two of the three years) saw a 25.6 percent increase in the gross product of the county, while its per capita peasant's income rose by 47.2 percent—including the 1988 per capita income of 551 yuan which is higher than the regional average—and retail sales grew by 44.8 percent. At the end of June this year, savings deposits of the county's rural and urban residents amounted to 57.33 million yuan, more than double in three years and averaging 250 yuan per resident. Local financial strength also has increased. Financial revenue reached 7.675 million yuan in 1989, an increase of 80 percent over 1984 and an all-time-high record. It is expected to exceed 8 million yuan this year.

Shanxi Reports Record Grain Harvest

OW1310181990 Beijing XINHUA in English
1517 GMT 13 Oct 90

[Text] Taiyuan, October 13 (XINHUA)—Shanxi Province in northern China reported a record high grain harvest this year with a total of 9.6 billion kg, according to the latest statistics from the Agriculture Department of the province.

Wheat is the most popular crop in the province. Its output accounted for 3.2 billion kg, up 4.5 percent from the last recorded high of 1986. In addition, the autumn harvest is estimated at 6.3 billion kg, which exceeds the last record of 1982.

A local official attributed the bumper harvest to this year's good climate and the government's favorable policies towards agriculture.

Northeast Region

Jilin People's Congress Session Held

SK1310064390 Changchun Jilin Provincial Service
in Mandarin 1030 GMT 11 Oct 90

[Text] The 18th Standing Committee meeting of the seventh provincial People's Congress held a second

plenary session on the morning of 11 October to hear three reports given by the provincial government. (Chi Daming), deputy director of the provincial public health department, gave a report on the rural grass-roots medical and public health work throughout the province. He said: At present, the province's organs undertaking the disease prevention and treatment work in the rural areas are mainly the public health networks at three levels, namely, the county, township, and village levels. The grass-roots public health work is mainly fulfilled by the township and town public health centers and the village-level health organizations. Since the third plenary session of the 11th party Central Committee, along with the implementation of various public health reform measures in the rural areas throughout the province, the strategic tasks of prevention and health-care have been gradually implemented. The township and town public health centers in the rural areas have gradually expanded their capacity to provide medical and public health service to society. The training of rural public health personnel and medical workers has greatly developed and the popularization of medical and public health technology has witnessed fairly good results. However, affected by the subjective and objective factors, problems of varying degrees were seen in rural public health work, such as the allocation of manpower, places for building township and town public health centers, facilities, and funds. In view of these problems, the report put forward some plans and measures to deal with the situations.

In his report on the implementation of Jilin provincial regulations on protecting the legal rights and interests of consumers, (Hu Chunzhou), director of the provincial industrial and commercial bureau, said: Since the implementation of the Jilin provincial regulations on protecting the legal rights and interests of consumers for nearly two years, through various forms of study and publicity activities, more and more consumers have understood how to protect their own legal rights and interests in line with the law. Leading comrades of governments at all levels and the broad masses of administrative and law-enforcement personnel have considered their responsibility of protecting the legal rights and interests of consumers in line with the law as their bounden duty.

In this connection, the provincial industrial and commercial bureau held activities on rendering good service and conducted an appraisal on satisfactory shops in early 1989. It also sponsored an activity to judge reliable beverages for consumers this year in an effort to improve service attitude and promote the development of the beverage industry in our province and an improvement in the quality of products.

The provincial industrial and commercial bureau has also organized various forms of supervision and inspection activities and perfected the organizations of consumers' societies to form a social supervision network. Associations at all levels have conscientiously accepted and handled consumers' appeals and helped them

recover 5.198 million yuan in economic losses. However, phenomena infringing upon the interests of consumers have still frequently occurred. The broad masses of consumers have shown strong reactions. All these problems are awaiting solutions through the deep implementation of regulations.

In a report on reducing the burden of peasants, (Bi Shian), deputy director of the provincial agricultural department, said: Over the past few years, our province has done much work on reducing the burden of peasants. However, many problems still exist in this work. The problem concerning the heavy burden of peasants must be solved through the active efforts of the governments at all levels and the departments concerned.

Vice Chairman Yu Ruihuang presided over the conference.

He Zhukang Speaks at Party Welcoming Sportsmen

SK1410035190 Changchun Jilin Provincial Service in Mandarin 1030 GMT 13 Oct 90

[Excerpts] On the morning of 13 October, the provincial people's government sponsored a victory meeting to warmly welcome the triumphant return of the province's good athletes from the Asian Games. Attending the meeting were the leading personnel of the provincial level organs, including He Zhukang, Wang Zhongyu, Zhang Fengqi, Huo Mingguang, Du Qinglin, Gu Changchun, Ren Junjie, Li Dezhu, Gao Yan, and (Fu Yongji); some of whom addressed the meeting.

(Zhang Hongwen), acting secretary general of the provincial people's government, presided over the victory meeting. [passage omitted]

During the meeting, He Zhukang, secretary of the provincial party committee, delivered a speech in which he stated that the success of the 11th Asian Games had shown that our country is not only qualified but also outstanding in holding such events. The games have boosted people's morale across the country; as a source of inspiration, the games have played a role in promoting the province's work in various fields.

In his speech, He Zhukang stated that the people across the province should learn from the athletes because they had pledged to march toward the new target and should carry forward the spirit of the Asian Games to contribute to making the province prosperous as soon as possible. We will overcome any difficulty so long as we follow the spirit displayed by the athletes in performing with all their might.

During the meeting, comrades, including Wang Zhongyu, Zhang Fengqi, Huo Mingguang, Gu Changchun, and Gao Wen, also delivered ebullient speeches. [passage omitted]

At the victory meeting, the provincial people's government also commended the athletes and their coaches

outstanding in the Asian Games and the international major events held since the beginning of 1990.

Jilin Opens Training Class for Minority Cadres

SK1310074190 Changchun Jilin Provincial Service in Mandarin 2200 GMT 10 Oct 90

[Text] An opening ceremony for the province's first training class of young minority cadres, which was sponsored by the provincial party committee, was held in the party school under the provincial party committee on 10 October.

Attending the training class are the 55 young cadres of Korean, Mongolian, Hui, and Manchu nationalities.

During the opening ceremony, Du Qinglin, deputy secretary of the provincial party committee and president of the party school under the provincial party committee, delivered a speech in which he stated that the training class of young minority cadres is mainly aimed at further enhancing the training of minority cadres, upgrading their quality, and enabling them to better meet the needs of building the four modernizations. Therefore, we should regard as an emphasis the work of upgrading the quality of political theories among the cadres-in-training and as a core the task of enhancing the training in party spirit; uphold the principle of integrating theoretical study with the improvement of practical capability; and should enable the cadres-in-training to greater improve their standards in Marxist theories, the tempering of party spirit, the policies on nationalities affairs, and in practical capability through the one-year study of Marxist basic theories, theories on nationalities affairs, the party's policies on nationalities affairs, and of modern managerial knowledge.

In his speech, Du Qinglin also said that we should fully discern the importance of having young minority cadres study Marxism and upgrade their own quality and put forward specific opinions and demands for making a success in running the training classes of young minority cadres.

Liaoning Conscription Planning Conference Ends

SK1310032990 Shenyang Liaoning Provincial Service in Mandarin 2300 GMT 10 Oct 90

[Text] It was learned from the provincial conscription conference which ended on 10 October that the 1990 winter conscription work will be comprehensively carried out in our province in early November. The guidelines for this year's winter conscription are to take education in national defense and in performing military service in line with the law as a measure and to consider guaranteeing the quality of the conscription work as the basic purpose, to actively carry out conscription reform, to unceasingly strengthen military service laws and regulations, and to make conscription work gradually become legalized, standardized, and scientific. Vice Governor Chen Suzhi stressed at the conference: The

time for this year's conscription work is pressing. Conscription work is an important policy issue, requiring a high standard work and involving many spheres. So, leaders at all levels must attach great importance to this work, properly handle the relationship between conscription work and other work, and make overall arrangements and careful plans. All departments concerned should divide their work in line with their responsibilities, establish the system of personal responsibility, and realistically ensure the smooth progress of conscription work. The success or failure in the fulfillment of conscription tasks symbolizes the quality of soldiers,

whether good or bad. It was learned that this year our province will implement a new examination and approval system. In addition, corruption report telephone lines and boxes will be set up, and supervision will be strengthened over conscription work at all levels and in various sectors in order to guarantee the quality of conscription work.

Xiang Jingyuan, commander of the provincial military district, Ma Shenglin, political commissar, and Liu Zhanying, deputy commander, also addressed the conference.

Justice Minister on New Penalties for Hijackers*OW1610032890 Taipei CNA in English 1539 GMT
15 Oct 90*

[Text] Taipei, Oct. 15 (CNA)—Aircraft hijackers will be severely punished after the amendment to the Criminal Law has been approved by the Legislative Yuan, Justice Minister Lu Yu-wen said Monday.

In a report to the Legislative Yuan's Justice Committee, Lu said that the new law stipulates that those convicted of hijacking or commandeering an operational aircraft by threatening, violence, or other measures could be sentenced to death or life imprisonment.

The amendment is necessary since air hijacking now seriously threatens global flight safety, Lu explained.

More on Policy Change*OW1610055790 Taipei CHUNG YANG JIH PAO
in Chinese 6 Oct 90 p 1*

[Text] Deputy Director Liu Peng-chun of the Entry-Exit Administration under the Ministry of Interior said on 4 October that hijacking activity seriously endangers the safety of aviation and is universally condemned by international society. Therefore, any persons, "anticommunists" or not, who hijack planes to Taiwan will be forcibly repatriated. As to the question of whether to repatriate Chang Ching-kuo and Lung Kui-yun, who hijacked a plane to Taiwan in 1988, after they complete their prison terms, with the help of the Defense Ministry and the Red Cross under the policy of "repatriating all illegal entrants from the mainland," it will be decided by the mutual reactions of the two sides of the Taiwan Strait in the future.

Deputy Director Liu Peng-chun said: Since the time Chang Ching-kuo and Lung Kui-yun hijacked the plane to Taiwan in May 1988, the government has established a policy of not welcoming "anticommunist freedom seekers" anymore. Illegal entrants from the mainland, no matter how they get to Taiwan, will be repatriated to the mainland after punishment according to the law. If Chang Ching-kuo and Lung Kui-yun hijacked a plane now, they would be repatriated after punishment.

Deputy Director Liu Peng-chun said: The Ministry of Interior has drafted an amendment to the National Security Law, which adds a regulation that any illegal entrants from the mainland will be repatriated without examination by judicial organs. Therefore, any illegal entrants from the mainland who are arrested by relevant departments will be kept in the Chinglu Detention Camp for questioning before being returned to the mainland. These illegal entrants will no longer be examined by judicial organs.

Liu Peng-chun stressed: Chang Ching-kuo and Lung Kui-yun should be repatriated in accordance with the National Security Law because they entered Taiwan illegally. However, taking anticommunism and humanity into consideration, the government decided to

keep them temporarily, under the principle of "neither encouraging nor condemning."

On 12 May 1988, Chang Ching-kuo and Lung Kui-yun boarded a Peking-bound Boeing 737, Flight Number 2510, of the Hsiamen Airlines of the Civil Aviation Administration of China at Hsiamen Airport. Soon after the plane took off, the two men left their seats and went to the flight deck with fake pistols and bombs. They hijacked the plane, which was guided by our Air Force aircraft and landed in Chingchuankang in Taichung. They gave themselves up to the base authorities after landing.

On 25 October 1988, they were given three-and-one-half years imprisonment by a local district court in Taipei for "commandeering an aircraft." Although they appealed that "seeking freedom by hijacking is a way to express in action the firm position of discarding communist tyranny, and we did not cause any injuries among the passengers during the hijacking..." the appeal was rejected by the Supreme Court on 13 July 1990. Both men now are serving their terms in prison.

According to relevant personnel, these two men at least have to be in prison for a year before being released on parole, but they will be sent back to the mainland after they leave prison.

PRC Reaction Noted*OW1410152590 Taipei CHUNG YANG JIH PAO
in Chinese 6 Oct 90, p 1*

[Text] A Communist Chinese official said on 4 October that airplane hijacking is a violent act that is banned internationally. He added that Communist China will consider active negotiations with the Taiwan authorities about the possibility of jointly condemning and imposing sanctions against hijacking and repatriating hijackers as if they were violent stowaways.

Communist China pays much attention to the dismissal by Shao Yu-ming, director general of the Government Information Office under the Executive Yuan, of descriptions that "Taiwan is a paradise for airplane hijackers." The official indicated that hijacking is indeed a violent act that is condemned by the international community.

He noted that the two sides of the Taiwan Strait had no channels of communication in the past. However, he said, the two sides now can repatriate not only stowaways, but also criminals following the signing by their Red Cross Societies of a repatriation agreement. Therefore, he added, the mainland will no longer be a haven for Taiwan's gangsters, and Taiwan will no longer be a shelter for hijackers.

Mainland Handling of Hijacking Criticized*OW1210142490 Taipei Domestic Service
in Mandarin 2300 GMT 10 Oct 90*

[Text] (Ma Hsin-feng), political vice minister of communications, has emphasized that the Communist Chinese

investigation report on the recent plane crash shows that not only have the Chinese Communists been investigating the incident in an overly perfunctory manner, they also are obviously and intentionally trying to shirk their responsibility. The Ministry of Communications will do everything possible to help the victims' families win reasonable compensation and will keep in touch with the lawyers for discussion of matters pertaining to compensation.

Families Allege Mishandling

*OW1310062590 Taipei CNA in English 0324 GMT
13 Oct 90*

[Text] Taipei, Oct. 13 (CNA)—The bereaved families of the 30 Taiwan victims killed in the Oct. 2 aircraft crash on the mainland issued a strongly-worded statement Friday accusing the Chinese communist authorities of mishandling the hijacking, which, they asserted, led to the unfortunate deaths.

While blasting the Chinese communist authorities for a lack of sincerity in dealing with compensation questions, the bereaved families also demanded that the "black box," which recorded flight data and conversations between the cabin crew and flight control towers, be made public soon.

The statement was issued during a memorial service held Friday morning in downtown Taipei.

Communications Minister Clement C.P. Chang told the press after the service that his ministry has retained five lawyers to negotiate with the Chinese communist authorities for compensation.

The bereaved families will discuss the issue for the first time with the five lawyers Saturday.

President Li Not To Invite PRC Leader

*OW1210222590 Taipei CNA in English 1508 GMT
12 Oct 90*

[Text] Taipei, Oct. 12 (CNA)—Premier Hao Po-tsun said Friday that he believed President Li Teng-hui would not invite Peking leader Yang Shang-kun [Yang Shangkun] to visit Taiwan because there is still no foundation for contacts and negotiations between the two sides of the Taiwan Straits.

Premier Hao continued that he himself had no intention to visit the mainland as the communist regime still insisted on its so-called "one country, two system" scheme which the Republic of China Government has categorically rejected.

Hao made his remarks in reply to an interpellation by Legislator Liu Shen-liang.

Yang Shang-kun told the press recently that he would visit Taiwan if President Li invited him and ensured his personal safety during his stay here.

Reconsideration of Reunification Policy Urged

*OW1410161390 Taipei CHINA POST in English
8 Oct 90 p 4*

[Editorial: "Speed Up China's Reunification"]

[Text] With Germany unified and the Koreans working energetically toward national unification, the Chinese are anxious about the future of their country. Like Germany and Korea, China has been divided for more than 40 years. It is time that the Chinese on both sides of the Taiwan Strait took the national reunification issue seriously and made vigorous efforts to accomplish that end.

In recent years, some advances have been made toward merging the two parts of China. The Republic of China government's decision to allow Taiwan residents to travel to the mainland, above all, has greatly increased the contact and interaction between the two sides. Since that decision was made, millions of people from Taiwan have been to the mainland. These trips have contributed considerably to the bridging of a wide mental gulf that has resulted from decades of bitter division.

But so far no official contacts have been made between Taipei and Peking. The ROC [Republic of China] government has maintained a "three no's" policy—no negotiations, no contacts, and no compromise—toward the mainland.

That policy used to be appropriate and important. But now that Taiwan is economically strong and has achieved a high international status, it is necessary to reconsider the policy.

The "three no's" policy was formulated out of fear that official contacts could lead to the relegation of the ROC's position to that of a local government.

That is indeed a possibility the ROC government needs to consider in planning moves concerning the mainland. Yet, there must be a way out of this dilemma if only our policy planners will give the matter enough thought.

Peking's refusal to rule out the use of force against Taiwan has been regarded as an obstacle to the achievement of reunification. But one need not worry excessively about this Chinese Communist attitude. Unless Taiwan declares independence, Peking will not have a legitimate excuse to attack Taiwan.

Moreover, even if the Chinese Communist regime announced it would not launch an attack, could the regime be trusted to live up to its word? History has shown that the regime is hardly trustworthy; it has on many important occasions gone back on its promises.

The main difficulty blocking reunification is rather the sharply different systems and lifestyles on the two sides of the Taiwan Strait. Narrowing the gap holds the key to the ultimate solution of the China issue.

The ROC government need not hold back in the face of the communist threat to use force. It should, on the contrary, take giant strides toward the goal of reunification.

Most of all, the government should from now on look beyond the Taiwan Strait and consider the feelings and needs of the people on the mainland, instead of confining its view to the island of Taiwan. It should do its utmost to win the hearts and minds of the people on the mainland by communicating with and showing more concern about them. So far, the government has not done very much in this area.

If Taiwan projects an image that wins the trust and admiration of the people on the mainland, this will in turn force a major change in the Peking regime's policy. If Peking abandons Marxism-Leninism, reunification will be at hand.

Poll Notes Desire for Talks

BK1410121690 Hong Kong AFP in English 1201 GMT
14 Oct 90

[Text] Taipei, Oct 14 (AFP)—Most people in Taiwan favor increased exchanges with China, and nearly half support talks on unification despite uncertainty over the island's future, according to a poll released here Sunday.

The survey, conducted by the local representative of the Gallup Organization U.S.A., showed however that 16.2 per cent of the 1,013 respondents favor Taiwan declaring itself independent—a move opposed by both Taipei and Beijing.

The number of people supporting independence was up from 12.5 per cent registered in a poll taken earlier this year by the Public Opinion Research Foundation (PORF).

Two-thirds of the respondents to the Gallup poll favor scrapping a ban on direct air and sea links between Taiwan and China, and 65.3 per cent said direct trade should be allowed, according to the survey said.

Close to 57 per cent of those polled supported government-to-government talks between Taipei and Beijing, while 49.6 per cent favored unification talks between Taiwan's ruling Kuomintang (KMT) and the Chinese Communist Party (CCP).

Since fleeing to Taiwan after losing a civil war to the Communists in China in 1949, the nationalist KMT has banned direct air and sea links as well as direct trade with the mainland.

However, direct sea links for repatriating fugitives and illegal immigrants and indirect trade have been condoned since November 1987, when the KMT allowed local residents to visit relatives in China.

Indirect trade via Hong Kong last year totalled 3.4 billion U.S. Dollars, a 28 per cent rise over 1989.

More than 64 per cent of the respondents said cabinet ministers should visit China to gain a better understanding of the mainland, while 53.2 per cent said a ban on CCP members visiting Taiwan should be lifted, according to the survey.

The rule allowing local residents to travel to China for family reunions is restricted to civilians and does not include government and military officials. Chinese officials and CCP members are denied entry here.

The respondents were uncertain about the island's future.

According to the poll, 31.5 per cent said Taiwan and China would remain divided five years from now, 1.6 per cent said China would absorb Taiwan, 4.1 per cent said the KMT would control China, 9.3 per cent said the two would form a commonwealth, and 2.3 per cent said Taiwan would become independent.

The remainder declined to comment or said they did not know.

More than 49 per cent said they believed China would invade Taiwan if the island declared itself independent, the Gallup poll showed.

Both Taipei and Beijing have vowed to unify China one day and calls for independence are considered seditious by the government here.

According to the survey conducted by PORF in June 1990, 12.5 per cent of 1,112 respondents favored independence. PORF is headed by Professor Ting Tin-yu, who is also the local representative of the Gallup organization U.S.A.

Chuang Suo-han, professor of public administration at private Tamkang University, told a news conference that the slight increase in the number of people favoring independence was due to a move by Beijing in September to block Taiwan's bid to host the 1998 Asian Games.

KMT Official on Mainland Strategy Against Taiwan

OW1410123790 Taipei International Service
in English 0200 GMT 14 Oct 90

[Text] A ranking official of the ruling Kuomintang [KMT] has said that Communist China is following a five-pronged strategy against the ROC [Republic of China] on Taiwan in an attempt to put the island under its eventual control. (Chang Hsing-hsiung), deputy secretary general of the party, told the KMT's Legislative Yuan group that the Peking strategy is to reject Taipei politically, to isolate it diplomatically, to rule it economically, to threaten it militarily, and to infiltrate the island culturally.

The KMT official also said that it is time for the ROC Government to clarify its vague policy toward the China mainland in light of the enormous changes in the world

situation. In his analysis of relations between the two sides of the Taiwan Strait, (Chang) said that the ROC should maintain its military equilibrium across the strait and should take both economic and political factors into account in developing economic and trade relations with the mainland. In the meantime, he suggested that Taiwan should not change its policy of only one-way communications with the other side of the Strait.

Taipei Residents Support Social Policy

*OW1610092790 Taipei International Service
in English 0200 GMT 15 Oct 90*

[Text] A Gallup opinion poll reported that 87.7 percent of Taipei residents support the measures Premier Hao Po-tsun has taken to improve social order since he assumed office in June. Furthermore, 75.3 percent said they feel that social order in Taipei has improved.

The Gallup organization gathered these results after interviewing 1,123 people selected from the Greater Taipei Area 22 to 24 September. More than 80 percent of those polled expressed worries that an increase in the number of illegal mainland Chinese immigrants in Taiwan may pose a serious threat to the island's social order. Seventy-five percent said they support the government's decision to deport illegal mainlanders.

The poll also reviewed measures that citizens take to protect their homes. Seventy-two percent of those surveyed said they have installed iron bars in the windows of their homes to stop burglars. The surveyees said they worry most about being robbed or kidnapped, walking alone at night, and safety in taxis. On average, four out of five women said that they are afraid to take taxis after midnight, compared to only 44.3 percent of men who feel that worry; 62 percent of those polled said they are afraid of walking alone at night; 78.7 percent of parents, with 83.8 percent of mothers, in particular, worry that their children may be kidnapped.

DPP Opposes Taipei Mayoral Appointment

*OW1510053890 Taipei CNA in English 0234 GMT
15 Oct 90*

[Text] Taipei, Oct. 15 (CNA)—President Li Teng-hui appointed Acting Mayor Huang Ta-chou of Taipei as mayor of the capital city Saturday.

Taipei City Council approved Huang's nomination early Saturday after a marathon debate between council members of the ruling Kuomintang [KMT] and opposition Democratic Progressive Party [DPP].

The DPP councilmen and councilwomen filibustered and then boycotted the voting scheduled for Friday afternoon.

All 36 KMT council members voted for Huang. Chen Hsueh-fen, an independent, also gave her endorsement. All 14 DPP council members abstained.

Statistics Reveal Overseas Investment Increase

*OW1310190390 Taipei CNA in English 1441 GMT
13 Oct 90*

[Text] Taipei, Oct. 13 (CNA)—Approved overseas investment by the citizens of the Republic of China during the first nine months of this year amounted to 1,160 million U.S. dollars, more than doubled the 550 million U.S. dollars of the equivalent period of 1989, government statistics show.

Investment in the Philippines grew 12-fold during the period, according to the Investment Commission of the Ministry of Economic Affairs. But investments in the United States and Singapore dropped 19.43 percent and 41.76 percent, respectively.

Banking and insurance took the lion's share of the investment, the commission noted.

The commission reported that foreign and Overseas Chinese investment in the Republic of China grew a mere 3.86 percent to 1.84 billion U.S. dollars during the period.

It added that chemical industry took the largest share of foreign and Overseas Chinese investment in the country.

USSR To Streamline Taiwan Visa Procedures

*OW1410181690 Taipei CNA in English 1608 GMT
14 Oct 90*

[Text] Taipei, Oct. 14 (CNA)—The Soviet Union has decided to streamline entry visa procedures for Republic of China [ROC] citizens, Foreign Ministry officials said.

Soviet embassies and consulates have been instructed to issue "as soon as possible" entry visas to ROC citizens as long as they hold two-way tickets and reserved boarding certificates, the officials said.

As Taipei and Moscow do not maintain diplomatic relations, in the past ROC citizens intending to visit the Soviet Union had to wait 45 days before they could obtain entry visas.

Since late 1989, the ROC Government has allowed businessmen from the Soviet Union and other East Bloc countries to visit Taiwan.

USSR Releases Two Taiwan Fishing Boats

*OW1410153190 Taipei International Service
in English 0200 GMT 13 Oct 90*

[Text] Two Taiwan fishing boats detained by the Soviet Navy in September have been released after their owners paid fines. The Council of Agriculture said that the Hsingta and the Changyu No. 1, both based in Kaohsiung, were fined NT\$4.89 million and NT\$8.98 million, respectively, by a Soviet district court. A third Taiwan fishing boat, the Yungfachuan, is still in Soviet custody as its owner, fined NT\$21 million, has decided to appeal. An official with the Republic of China's External Fishery

Development Association and a legal consultant from Taiwan have flown to the Soviet Union to help arrange for the boats' early release.

Ruble Devaluation Incentive for Investors

*OW1510053790 Taipei CNA in English 0243 GMT
15 Oct 90*

[Text] Taipei, Oct. 15 (CNA)—Recent devaluation of the Soviet ruble from 0.71 to 1.8 against one U.S. dollar constituted an inducer for Taiwan investors to go to the Soviet Union, an official of the Council for Economic Planning and Development (CEPD) said Sunday.

Susan S. Chang, deputy director of CEPD's Economic Research Department, said that the Soviet Union and East European countries, would become potential export markets for the Republic of China [ROC] because of their economic reforms.

Taiwan businessmen should move quickly and decisively to gain a major presence in the markets, Chang said.

She noted that the establishment of diplomatic ties between Seoul and Moscow has promoted South Korean businessmen to rush to the Soviet Union to seek joint venture opportunities.

Chang emphasized that the Republic of China should strengthen its substantive economic and trade relations with Moscow, particularly at a time when regional trading blocs are in the making.

According to statistics released by CEPD, Republic of China trade with the Soviet Union was only 75 million U.S. dollars last year; ROC imports from the Soviet Union totaled 54 million U.S. dollars, and exports, 20 million U.S. dollars.

Premier Hao Po-tsun on Hopes for U.S. Ties

*OW1510172690 Taipei CNA in English 1405 GMT
15 Oct 90*

[Text] Taipei, Oct 15 (CNA)—Premier Hao Po-tsun said Monday that he hopes relations between the United States and the Republic of China [ROC] will develop to new highs.

Addressing a dinner party hosted by the American Chamber of Commerce and the American University Club in Taipei in celebration of the ROC Double Tenth National Day, the premier said "we have a particular gratitude and admiration for the assistance our American friends have extended to us."

Since the American Government decided four decades ago to send troops to assist in the defense of Taiwan, "the United States has made an irreplaceable contribution to the prosperity and progress of our country," he said.

Although the two countries have not had formal ties since 1979, economic and cultural exchanges have grown steadily, he said. "It is my sincere hope that in the future, relations between the United States and the Republic of China will develop, on a basis of mutual benefit and reciprocity, to a new summit," he added.

U.S. Requests Liquor Talks; Date Negotiable

*OW1610061690 Taipei International Service
in English 0200 GMT 15 Oct 90*

[Text] The United States has requested a meeting with the ROC [Republic of China] on 29 October in Washington to continue trade talks on liquor. The Sino-American Trade Committee said the ROC has agreed to further talks, but would prefer them in November in Taipei. The committee said it has handed the matter over to the Ministry of Interior which is in [words indistinct] liquor. The ministry will negotiate with the U.S. on further details.

At the last talks, which took place in late September, a disagreement over the amount of allowable profits was not resolved. The ROC had insisted that the Taiwan Tobacco and Wine Monopoly Bureau, the only legal distributor of liquor in Taiwan, be allowed profits of 330 NT dollars per liter. The U.S. wanted a profit of 190 NT dollars per liter. A U.S. liquor company, dissatisfied over the failure of the talks, has accused the ROC of violating principles of free trade and is threatening to ask the U.S. Government to invoke Section 301 of the U.S. Trade Act.

Agricultural Agreement Signed With Belize

*OW1610034990 Taipei CNA in English 1426 GMT
15 Oct 90*

[Text] Taipei, Oct. 15 (CNA)—Foreign Minister Fredrick Chien on behalf of the Republic of China Government signed an agricultural agreement Monday with Belize's Minister of Agriculture and Fisheries Michael Espat.

The two-year agreement, effective Monday, will be extended automatically for another two years when it expires.

The agreement stipulates that the Republic of China will send an agricultural team to the Central American country to help it develop agriculture and will provide scholarships for the training of experts in agricultural and fishery fields.

The Belize Government will provide farmland, labor, farm tools, fertilizers, and pesticides for the team's use.

Hong Kong

Sino-Hong Kong Talks on Airport Project

Group Claims 'Listening Role'

HK1610015590 Hong Kong SOUTH CHINA
MORNING POST in English 16 Oct 90 pp 1, 5

[Text] A visiting Chinese expert delegation yesterday opted to play a mainly "listening role" in the opening sessions of an 11-day Sino-Hong Kong discussion on the territory's ambitious port and airport development plan.

The Chinese team's friendly attitude was in sharp contrast with the confrontational tactics it adopted on arrival last Friday when it denounced the Government's "unilateral decision" to press ahead with the building of a bridge link to the future airport.

Hong Kong officials are eager to take the opportunity to allay Beijing's worries over the financial viability of the \$127 billion project and convince it to openly endorse the plan.

Both the visitors and their hosts hailed the first day of talks held at Colvin House as "friendly, frank and constructive."

"We have listened to the initial introduction (by Hong Kong officials) on the scheme," said Mr Luo Jiaohuan, the spokesman of the eight-man mainland team.

The semi-official HONG KONG CHINA NEWS AGENCY reported that the closed door dialogues were conducted in a "relaxed atmosphere."

The Secretary for Economic Services, Mrs Anson Chan, even exchanged jokes with Mr Luo and the Chinese chief delegate Mr Yong Longgui.

The deputy to the Governor, Sir David Ford, and the Financial Secretary, Sir Piers Jacobs, attended the morning session of the discussion, which was followed by a briefing from the Secretary for Planning, Environment and Lands, Mr Graham Barnes, in the afternoon.

"We had a very useful and a very friendly start to these talks. We are looking forward to them very much indeed," Sir David said.

Mrs Chan added that Hong Kong hoped to explain to China details of the projects and convince it of their merits during the series of meetings.

"We had a very frank and useful exchange of views. We hope to continue our discussions on the port and airport projects in this atmosphere in the following days," she said.

The Chinese experts will make a helicopter trip to northern Lantau today to inspect the Chek Lap Kok airport site.

They will also have a harbour tour on Friday to get themselves acquainted with the port facilities development.

They are also scheduled to meet the Provisional Airport Authority, chaired by Sir Piers, next week.

Their talks with the Hong Kong officials aside, the Chinese delegates have also made a point of hearing from local professionals and the business sector. Their schedule, however, has yet to be finalised.

China yesterday confined its criticism of the Hong Kong Government mainly to the articles in the local left-wing press.

In its opinion page, the TA KUNG PAO carried three commentaries questioning the Government's motives and its ability to finance the projects.

One article warned the Government not to try to force China into accepting the scheme.

On matters affecting Hong Kong beyond 1997, China was not only entitled to be consulted but should be allowed a say in policy decisions, it said.

Another commentary said that if Britain failed to secure China's participation, China and the post-1997 Hong Kong government should not be held responsible for overriding decisions which impinged on Chinese sovereignty and interests.

The third article quoted an economist as saying that in building the Tsing Ma bridge, the Government would face a \$20 billion deficit in the next four years.

It concluded that local reserves would dwindle from the current level of \$71.5 billion to \$55.2 billion when the project was completed.

WEN WEI PO published two similarly critical commentaries.

One of them said it was the Hong Kong Government which had adopted a confrontational approach over the project.

The Government's announcement to go ahead with the Tsing Ma bridge days ahead of the Chinese team's arrival was a case in point, it said.

Meanwhile, a 20-member Po Leung Kuk delegation, led by chairman Mr Vicwood Chong Kee-ting, returned from Beijing yesterday.

Mr Ji Pengfei, the most senior Chinese official in charge of Hong Kong affairs, had told the group that China would be unable to offer its views on the airport plan because of a lack of data.

According to Mr Chong, Beijing supported the construction of a new airport in principle from an economic point of view.

He quoted Mr Ji as saying that Sino-Hong Kong communication was important for the huge investments which would staddle 1997.

Mr Ji also expressed dissatisfaction over the Hong Kong Government's decision to finance and build the Tsing Ma bridge ahead of its talks with the Chinese experts.

But Mr Chong said Mr Ji had refused to elaborate on the choice of site and the financing of the new airport because he did not have adequate information.

Mr Chong said that when he told the Hong Kong and Macao Affairs Office officials that a delay in the airport project would jeopardise local confidence and that the Tsing Ma bridge should be built to boost the Lantau development, they only nodded and did not respond.

The team relayed to the Chinese officials local worries about the subject of those who have migrated elsewhere.

The Po Leung Kuk director, Mr Tan Giok Sic, described the Chinese officials' response to the Hong Kong Government move as "furious."

The group was also told that post-1997 residents could not hold dual citizenship and China would try to find an appropriate countermeasure.

Ten Canadian Hong Kong residents will visit the Hong Kong and Macao Affairs Office next January to discuss post-1997 freedom of entering and leaving Hong Kong for local foreign passport holders, they added.

Diplomat Appointed Spokesman

HK1610020190 Hong Kong SOUTH CHINA MORNING POST in English 16 Oct 90 p 5

[Text] The only diplomat in the Chinese expert team, Mr Luo Jiahuan, has bypassed his seniors to become the spokesman for the eightman delegation.

The unusual arrangement, with Mr Luo instead of chief delegate Mr Yong Longgui speaking on behalf of the group, came as a surprise in view of the seniority-minded Chinese tradition. However, Mr Luo is the most experienced among his colleagues in handling the press.

The arrangement is indicative of the sensitive and political, rather than technical, nature surrounding the discussions.

Mr Luo is head of the research department of the Chinese State Council's Hong Kong and Macao Affairs Office.

He was a key member of the Chinese team responsible for the confidential Sino-British negotiations on Hong Kong's future between 1983 and 1984.

Mr Luo was one of the few who had attended all the rounds of the protracted negotiations in Beijing, stretching from July 1983 to September 1984.

During those 14 months, he shared the same title with the former head of the Chinese team of the Sino-British Joint Liaison Group, Mr Ke Zaishuo, as counsellor of the the Ministry of Foreign Affairs' Western European Department.

Other members of the current airport delegation, including Mr Yong, are mainly technocrats specialising in economics, planning or research work.

On their arrival last Friday, Mr Luo delivered an attack on the Hong Kong Government for what he called its unilateral announcement that the construction of the Tsing Ma bridge would be financed by public funds.

Handling of Projects Criticized

HK1310015190 Hong Kong SOUTH CHINA MORNING POST in English 13 Oct 90 pp 1, 2

[By Eamonn Fitzpatrick]

[Text] The Government came under attack yesterday from local National People's Congress [NPC] representative, Miss Liu Yiu-chu, for its handling of the port and airport projects.

Confronting six senior government officials at a seminar on the Port and Airport Development Strategy (PADS), organised by the Hong Kong General Chamber of Commerce, Miss Liu said she doubted the need for a new airport and asked what liabilities would be placed on the future Hong Kong Special Administrative Region [SAR] government by the infrastructure expansion.

"As we know, there is no guarantee that the future SAR government faced with a fait accompli of partly-finished projects, will have to continue to finish the rest," she said.

"And believe me, with the attitude of the Hong Kong Government the way it is now, I can almost guarantee that the future SAR government will go in the absolute opposite direction because aggression breeds aggression.

"This is very unhealthy, so I would like at least the Hong Kong Government to let us know to what extent it is going to drag us into very unhealthy, uncomfortable deep waters."

Replying to Miss Liu, the Chief Secretary, Sir David Ford, said the airport was vital to continued economic prosperity in the territory and the decision to build the airport was free of political connotations.

"I think we must ask ourselves—and this is a question we posed ourselves as to whether we should go ahead with the airport—is what would happen if we didn't build the airport and what effect that would have on the economy of Hong Kong?

"The economy of Hong Kong is the people of Hong Kong. People in Hong Kong survive and are able to live a comfortable life if the economy is vibrant, if they have work to do and if they can earn good wages.

"And that is the overriding consideration in why we build the airport and for no other overriding political consideration whatsoever. It's very important we have that clearly in our minds," Sir David said.

He added that there had been a change in public attitudes towards the airport project since the days when the public urged the Government to speed up the decision to build it.

Despite recent demands for more public consultation, Sir David warned that lengthy public inquiries could severely delay the implementation of PADS.

But he added: "That does not mean to say we do not take account of what people say and their interest in the subject."

However, speaking after the seminar, Miss Liu said closer co-operation was needed between the Hong Kong and Chinese governments on the issue.

The decision to proceed with the project without consultation with China could worsen relations between the two.

She said the Government was "lagging behind" in meeting its obligations in the Joint Declaration, which states that closer co-operation is needed and will be intensified between China and Hong Kong during the second half of the transitional period between 1997 and the signing of the Joint Declaration in 1984.

The two-hour forum at the Hong Kong Convention and Exhibition Centre enabled the business community to question the Government's decisions on PADS.

Also on hand to deal with queries were the Financial Secretary, Sir Piers Jacobs, and four policy secretaries who will also brief members of a Chinese delegation who arrived in the territory last night.

Sir Piers defended the cost of PADS and said the strategy was designed to leave Hong Kong in a strong financial position with lower taxes.

"Over the years it is possible our reserves from time to time will come down, but at the end of the day, when this airport is built, if we have strongly structured our financing, we will have strong reserves, we will have a balanced budget and that will enable us to bring down taxes and that will certainly make Hong Kong a better place to live in.

"That's our strategy and that's what it's all about," he said.

The Secretary for Economic Services, Mrs Anson Chan, who received applause from the audience at one point for her comprehensive answers, stressed that the airport was needed if the territory was to remain an international and regional economic force.

She said the Government had discussed the new airports in Shenzhen and Macao with the Chinese and Macao governments and had come to the conclusion that not only would they not act as competition, but would complement Hong Kong's airport.

"Under the Joint Declaration there is specific provision that the future Special Administrative Region will be

maintained as an international and regional aviation centre to underpin economic growth."

Governor Urges Cooperation

HK1610021790 Hong Kong SOUTH CHINA
MORNING POST (BUSINESS POST) in English
16 Oct 90 p 5

[By Geoff Crothall]

[Text] The governor of Guangdong, Mr Ye Xuanping, wants co-operation over the development of airports in the region.

"There is potentially a lot of overlap between Hong Kong's new airport and the airports in the Pearl River Delta, so we must be careful to minimise any possible conflict," Mr Ye said.

In addition to Guangzhou's Baiyun International Airport, there will be an international airport near Shenzhen and a domestic airport in Zhuhai, just across the border from Macao, by the time Hong Kong's planned Chek Lap Kok airport is operating.

Speaking during a reception to mark the opening of the Guangzhou Trade Fair, Mr Ye said he had not received any information from the Hong Kong Government on its \$127 billion port and airport development scheme (PADS).

"All I know about the project is from reading the Hong Kong newspapers," he said.

"As such I am not in a position to comment on its feasibility or desirability," he added.

However, it is known that several top government officials in Guangdong are unhappy about the project, feeling it would jeopardise the success of Shenzhen's airport which has been in the planning stage for considerably longer than PADS.

Given that part of Hong Kong Government's rationale for building the new airport is the expected expansion of economic co-operation between Hong Kong and the Pearl River Delta, Guangdong officials consider Shenzhen to be the most logical site for the project.

The vice-governor, Mr Yue Fei, confirmed yesterday the final stages of construction at Shenzhen airport would go ahead without a U.S.\$28 million loan from Kuwait, secured in March but now frozen as part of international sanctions imposed after Iraq's invasion of Kuwait.

The Guangdong and Shenzhen governments would now find part of the project from their own resources and had secured a loan from the Bank of China for the remainder, Mr Yu said.

The capital will be used to buy communications, air traffic control and meteorological equipment, lighting and vehicles for the airport.

Mr Yu expressed confidence the project could be completed on time in June next year.

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